



2024 *Environmental, Social and Governance Report*

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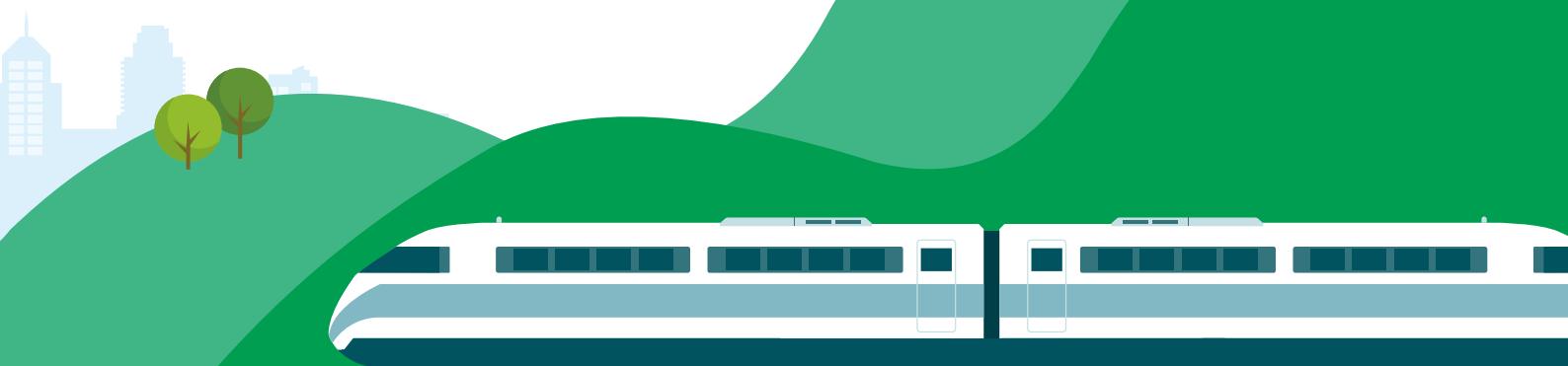
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Part 1: Overview

ABOUT THIS REPORT

BIl Railway Transportation Technology Holdings Company Limited (together with its subsidiaries hereinafter referred to as “BIITT”, “the Group” or “We”) has prepared this 2024 Environmental, Social and Governance (“ESG”) Report (“Report”) in accordance with the *Environmental, Social and Governance Reporting Guide* (the “Reporting Guide”), which is contained in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) as stipulated by The Stock Exchange of Hong Kong Limited (“HKEX”).

This Report follows the four reporting principles of “Materiality, Quantitative, Balance and Consistency” as set out in the Reporting Guide, as well as the requirements regarding the reporting scope, to collect information, analyze data and organize the compilation.

For details of the corporate governance practices of the Group, please refer to the Corporate Governance Report section on pages 45-61 of the 2024 Annual Report.

REPORTING PERIOD AND SCOPE

Unless otherwise specified, the policies, statements and key performance indicators (“KPI”) in this Report cover the Group’s domestic and overseas businesses, which are consistent with the scope of the Group’s financial report.

The Group will continue to refine the integration of significant ESG matters into its daily operations, and annually assess whether to expand the scope and depth of its disclosure. This Report provides a comprehensive assessment and disclosure of the Group’s performance on ESG matters for the period from 1 January to 31 December 2024 (the “Reporting Period”).

DATA SOURCES AND RELIABILITY

The information in this Report, including the Group’s policies, initiatives, practices, and cases, is derived from internal policies, statistics, reports, and records. The Group is responsible for the authenticity, accuracy, and completeness of the content of the 2024 ESG Report.

REPORT DISCLAIMER

This Report is published in both Chinese and English. Should there be any discrepancy, the Chinese version shall prevail. In case of any conflict or inconsistency between this Report and the Group’s 2024 Annual Report, the Annual Report shall prevail. The interpretation of this Report is consistent with the Group’s 2024 Annual Report.

This Report is available for viewing and downloading on the website of the HKEX (www.hkexnews.hk) and the website of the Group (www.biitt.cn).



CONFIRMATION AND APPROVAL

This Report was reviewed and submitted by the Chief Executive Officer to the ESG Committee, and was approved by the Board of Directors (the “Board”) on March 27, 2024.

CONTACT AND INQUIRY

The Group is committed to continuously improving the quality of its ESG disclosure, and sincerely looks forward to suggestions from investors and other stakeholders. Our contact information is as follows:

BII Railway Transportation Technology Holdings Company Limited
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Tel: +852 2805 2588
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BOARD STATEMENT

The Board has ultimate responsibility for the Group’s ESG strategy and performance, actively identifies ESG-related risks and opportunities through the ESG Committee, incorporates them into the risk management and internal control system of operation and management, and prepares for relevant disclosures under the Task Force on Climate-related Financial Disclosures (TCFD) framework.

The Board urges the management to take active actions on the set sustainable development goals, implement and promote relevant strategies, and actively explore the needs of service innovation and energy conservation and emission reduction with stakeholders in business activities. The Board also fully implements the national dual-carbon goals in internal research and development (“R&D”) planning, and practices the concept of sustainable development through awareness and action.

The Board discussed and approved the materiality matrix and the prioritized issues identified in the assessment for this year, and approved the corresponding elaboration in the following report chapters according to the assessment conclusions.



Part 2: About BIIT

GROUP OVERVIEW

The Group focuses on the digitalisation of rail transit, including high-speed railways, intercity and suburban railways, and urban metro lines, as well as smart city infrastructures, providing various digitalised solutions and maintenance of a number of core operation systems, underpinned by its proprietary R&D and innovative initiatives in system integration. The Group adheres to the mission of “Empowering rail transit with smart technology”, insists on the strategic positioning of “Focusing on integrated innovation and becoming a leading smart system service provider for rail transit in China”, builds a technology ecosystem, and is committed to providing full lifecycle system solutions for rail transit development, becoming a world-class leader in smart rail transit.

The Group adheres to its established strategic direction, optimizing the organizational structure with the concept of “business-oriented, innovation-driven, and efficient management,” promoting the integration of business resources, and building a “3+2” business pattern. We focus on three core businesses: Intelligent Passenger Information System (IPIS), Data and Integration Services (DIS), and Intelligent Infrastructure Services (IIS), creating two major platforms for R&D innovation and capital operation, and continuously improving market competitiveness and service levels.

IPIS

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

DIS

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

IIS

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

R&D Innovation Platform

Innovation and upgrading, building a standard system for smart products, and creating a technological innovation ecosystem

Capital Operation Platform

Coordinated development to create a strategic investment control platform for collaborative innovation and win-win development

Figure: BIIT ‘3+2’ Business Pattern



Corporate Culture:

Creativity of an entrepreneur, Progressiveness as a climber, Persistence from a cultivator, and Contribution by a responsible person



Core Values:

People-centered, Quality-based, Innovation-driven, and Results-oriented

Table: BIIT Corporate Culture and Core Values

CORPORATE INFLUENCE

As of 31 December 2024, the Group has established its presence in 55 cities across 28 provinces and autonomous regions (including the Hong Kong Special Administrative Region) in the PRC. In addition to continuously expanding business in regions such as Asia, South America, and the Middle East, the overseas market covers 32 cities in 20 countries and regions. Based on providing high-quality services for Beijing rail transit and infrastructure construction, we have achieved geographical expansion and diversification of income sources.

CORPORATE HONORS

During the Reporting Period, the Group was awarded the 'Outstanding Case Award for ESG Comprehensive Chapter of State-owned Holding Listed Companies in Beijing' by the research team of the 'Beijing State-owned Enterprises ESG Blue Book', and the second prize for the 20th Modernization and Innovation Achievements in Transportation Enterprise Management by the China Transportation Enterprise Management Association, in recognition of its outstanding performance in green development, social responsibility fulfillment, and corporate governance. The Group's annual ESG report has been selected for two consecutive years in the 'Beijing State-owned Holding Listed Companies ESG-Pioneer 30 Index', receiving a four and a half star rating.

Leveraging its technological and innovative strengths, The Group has achieved recognition for leading positions in niche areas. During the Reporting Period, two subsidiaries of the Group were recognized as "Specialized, Refined, Unique, and Innovative Little Giant", and one subsidiary received the Beijing-level 'Specialized and Sophisticated' small and medium enterprises re-certification.



Part 3: Practicing ESG Governance and Strengthening Compliance Construction

ESG GOVERNANCE SYSTEM

ESG Governance Structure

To perform duties with high quality and in compliance with the *Corporate Governance Code* as set out in Appendix C1 of the Listing Rules, the Board has established and operates the Audit Committee, Remuneration Committee, Nomination Committee, and ESG Committee. Each committee performs its work based on its scope of duties and authorization, providing high-quality analysis and recommendations for the Board's decision-making.

The Group has established a three-tier ESG governance structure, *the Board – ESG Committee – ESG Working Group*. Through the ESG Working Group's daily communication, information collection, and annual review work, we strengthen interaction and discussion on sustainable development topics with various functional departments and subsidiaries.

During the Reporting Period, Mr. Liu Yu, the Chief Executive Officer of the Group, also serves as an Executive Director and the Convener (Chairman) of the ESG Committee, continuously leading the ESG Committee's work. The ESG Committee further considers how to implement the concept of sustainable development and confirms that it will actively follow the guidelines of HKEX in the future, conducting identification and disclosure of climate change-related risks and opportunities, as well as analysis of related financial impacts.

During the Reporting Period, the ESG Committee held 2 committee meetings, conducting further review and discussion on the Annual ESG Report, the progress of materiality issues, and future work planning. To promote the compliance in ESG-related initiatives and enhance the efficiency of the Board and the ESG Committee in performing their duties, the Group has engaged external ESG consultants to provide relevant training on important topics such as ESG best practices and ESG disclosure policies. This is to assist the Group in improving its ESG governance system and establishing the future direction of ESG development.



Figure: BIITT ESG Governance Structure

This year, the ESG Working Group has continued to promote the six BIITT sustainable development targets and ESG-related topics to various functional departments and subsidiaries, further emphasizing the importance of process management and ESG data control. It has also set deadlines for indicator follow-up to ensure the high-quality implementation and execution of related work.

Part 3: Practicing ESG Governance and Strengthening Compliance Construction

MATERIALITY ASSESSMENT

Stakeholder Identification and Engagement

The Group identifies ESG materiality issues as an important reporting guideline for this Report. We are fully aware that corporate decisions can have varying degrees of impact on different stakeholders. Therefore, we strive to establish effective communication channels in our daily operations to engage in constructive dialogue with stakeholders, including the government and regulatory authorities, customers, shareholders and investors, suppliers, the community, and employees, to understand their perspectives and ideas, and to listen to their opinions and feedback.







Key Stakeholders		Expectations and Requests	Communication Channels
Governments & Regulatory Authorities		Compliant Operation Safe Production Tax Payment Healthy Development of Industry	Information Disclosures Supervision and Inspection Consultation Forums and Seminars
Shareholders & Investors		Consistent and Stable Returns Robust Governance Structure Strengthened Risk Control Open and Transparent Information	Annual General Meetings Regular Reports and Announcements Investor Communication Company Website and Press Releases
Customers & Industry Associations		Quality Products and Services Customer Privacy Protection Customer Rights Protection Meet Customer Needs	Marketing Exhibitions Customer Visits Satisfaction Surveys Industry Conferences
Suppliers		Fair Trade Integrity and Mutual Benefit Collaborative Improvement Drive Management and Technology Advancement	Procurement Education Activities Supplier Meetings Contracts and Agreements Collaboration on Project Delivery Training
Employees		Welfare and Compensation Package Employee Rights Protection Healthy and Safe Working Environment Training and Capability Development	Internal Publications Employee Events Career Development Communications Employee Surveys Training
Community & Public		Environmental Responsibility Integration into Community Development Employment Opportunities	Poverty Alleviation Charitable Activities News and Announcements Company Website

Table: Communication Methods with BIIT Key Stakeholders

Part 3: Practicing ESG Governance and Strengthening Compliance Construction

Materiality Issues Map

During the Reporting Period, the Group continued to communicate with various stakeholders through the aforementioned methods. We referred to the PRC's carbon emission policies and reduction targets, the requirements of regulatory authorities, guidelines from industry associations, ESG issues identified by peers, and suggestions and requirements from customers. We conducted a comprehensive analysis and review of the Group's materiality issues map, identifying 5 environmental, 13 social, and 4 governance-related risk and opportunity issues for this year.

Environment		
1. Greenhouse Gas and Exhaust Emission Management	2. Energy Utilization and Management	3. Resource Utilization and Management
4. Non-hazardous Waste Management	5. Climate Change Response	
Society		
6. R&D and Technological Innovation	7. Product Quality and Safety	8. High-quality Customer Service
9. Intellectual Property Management	10. Information Security and Privacy Protection	11. Industry Collaboration and Ecosystem Development
12. Smart Transport and Smart City	13. Sustainable Supply Chain Management	14. Employee Compliance, Equality, Diversity, and Inclusion
15. Employee Development and Training	16. Employee Health and Safety	17. Employee Benefits and Talent Attraction
18. Social Investment and Public Welfare Contributions		
Governance		
19. Compliance Operation	20. Business Ethics and Anti-corruption	21. ESG Governance System
22. Responsible Investment		

Figure: BIITT Materiality Issues Map

The Group's business activities primarily focus on product R&D, solution development, and services, in 2024, we have further expanded the materiality issues map around the relevance to our business, and focused on key areas related to business such as innovative R&D, product responsibility, customer service, information security, and industry communication. At the same time, we will refine employee-related issues and further distinguish the content covered by each issue.



Part 3: Practicing ESG Governance and Strengthening Compliance Construction

Materiality Assessment

Given the strong public interest nature of the Group's the industry, the prioritization of material issues adopts the dual materiality principle outlined in GRI disclosure system recommended by HKEX. This involves assessing the importance of sustainability issues to stakeholders and to the Group, based on these two measurement standards, to derive the materiality assessment matrix for the year. The results indicate that highly material issues include *Product Quality and Safety*, *Employee Health and Safety*, *High-quality Customer Service*, *R&D and Technological Innovation*, *Employee Benefits and Talent Attraction*, *Compliance Operation and Employee Compliance*, *Equality, Diversity, and Inclusion*. These issues are concentrated in the Group's business operations and employment management. Compared to previous assessment results, issues related to product technology and services remain a priority this year as they are fundamental to building the company's core competitiveness. The overall importance of employee-related issues has increased, which is due to the refined adjustments in the classification dimensions of related issues within the assessment system. It also reflects the higher demands from the Group and external stakeholders on employee rights protection and humanistic care mechanisms, driven by multiple factors such as the improvement of industry standards and changes in the macro environment.

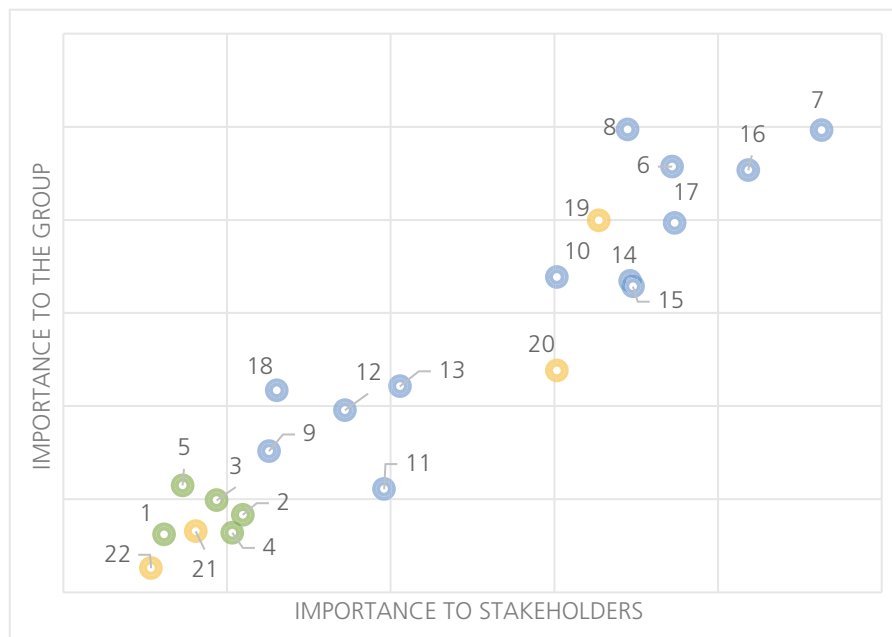



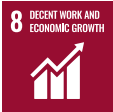

Figure: BIITT Materiality Assessment Results

Part 3: Practicing ESG Governance and Strengthening Compliance Construction

SUSTAINABLE DEVELOPMENT GOALS

Aligned with the United Nations Sustainable Development Goals (SDGs)

We regularly benchmark our sustainability goals against the seventeen SDGs, continuing to directly link six of these goals with our operational guidelines and business strategies, further highlighting the corporate mission of the Group.

SDGs	The Group's Business Approach	Report Chapter
 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.	Part 4, 5
 8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for equal work. 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants, and those without stable employment.	Part 7
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation 9.1 Develop quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Part 4, 5



Part 3: Practicing ESG Governance and Strengthening Compliance Construction




SDGs	The Group's Business Approach	Report Chapter
	<p>Reduce inequality within and among countries</p> <p>10.2 By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, gender, disability, race, ethnicity, origin, religion, economic status, or other distinctions.</p> <p>10.3 Ensure equal opportunity and reduce inequalities, including by eliminating discriminatory laws, policies, and practices, and promoting appropriate legislation, policies, and actions in this regard.</p>	Part 7
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>11.2 By 2030, provide safe, affordable, accessible, and sustainable transport systems for all, improving road safety, particularly by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities, and older persons.</p> <p>We participate in the construction of rail transit in China and other developing economies, thereby providing transportation tools for ordinary citizens, serving their daily production and life.</p>	Part 4, 5
	<p>Take urgent action to combat climate change and its impacts</p> <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p>We help our clients achieve efficient energy consumption management and improve energy efficiency through a series of innovative solutions, contributing to the industry's energy conservation and emission reduction.</p>	Part 4, 5, 8

Table: Implementation Methods of the SDGs and Related Chapters

Part 3: Practicing ESG Governance and Strengthening Compliance Construction

BIITT Sustainable Development Goals

The Group, in accordance with the relevant requirements of HKEX, established near- and mid-term Sustainable Development Goals in 2022, and continues to advance them as an integral part of daily business operations.



Figure: BIITT Sustainable Development Goals

COMPLIANCE OPERATION

The Group deeply understands the significant importance of compliance operation for maintaining the stability and sustainability of our business. The Group ensures that all business activities strictly comply with the applicable laws and regulations of the countries and regions where we operate, and ensures that our products meet the access requirements and standards of the relevant product sales markets, while actively maintaining and practicing fair competition market rules. For this purpose, we have established a series of relevant internal systems to ensure that there are rules to follow in business practices, and to identify compliance and potential risks through internal control work.

Corporate Integrity

In order to prevent fraudulent behavior, strengthen internal control, promote an integrity culture, standardize business conduct, safeguard the interests of the Group, and protect the legitimate rights and interests of shareholders, the Group has taken a comprehensive approach to advancing the construction of the integrity system from three aspects: system framework development, supervision and inspection mechanism collaboration, and integrity culture promotion. During the Reporting Period, the Group made every effort to inquire and investigate relevant situations to confirm that no corruption lawsuits or external investigations involving the Group or employees occurred.

Part 3: Practicing ESG Governance and Strengthening Compliance Construction

- ### System Development

The Group has established systems such as the *Measures for the Management of Whistleblowing* and the *Anti-Fraud Management Measures for Management of Anti-corruption of the Group* to encourage all parties to report any violations or fraudulent behaviors. The Group provides download services for these documents on the official website, publicly listing mailing addresses, email addresses, phone numbers, and other reporting channels, and clearly defines the responsibilities and methods for protecting whistleblowers to ensure that the reported information receives genuine and effective feedback and handling.

- ### Supervision and Inspection Mechanism

The Group relies on the discipline inspection and supervision system to actively build a discipline inspection team, appoint part-time discipline inspection commissioners and party conduct and integrity supervisors, ensuring that the daily operations of all levels, departments, and teams of the Group are subject to integrity supervision. At the same time, the Group has established a joint task force for integrity supervision and inspection, along with its operational mechanism. The joint team regularly organizes and conducts cross-departmental joint inspections, sharing and exchanging inspection results among departments to achieve comprehensive coverage of inspections.

- ### Integrity Culture Promotion

The Group is committed to establishing a good atmosphere of integrity and compliance operation. We organize annual visits to integrity warning education bases and hold annual warning education conferences. Additionally, we publish a quarterly integrity e-newsletter to promptly synchronize with laws and regulations requirements, showcase typical cases, and convey integrity concepts.



Figure: 2024 Integrity E-newsletter

Based on development of compliance operation and integrity system, the Group organizes annual anti-corruption and anti-fraud training. This year, the Group conducted four anti-corruption and anti-fraud training sessions, with all 9 members of the Board and 150 employees from the Group and subsidiaries participating.



Part 3: Practicing ESG Governance and Strengthening Compliance Construction

Compliance Development

The Group continues to uphold the principle that the Chief Executive Officer is the primary person responsible for compliance management. The Chief Compliance Officer performs duties according to the *Regulations on Compliance Management*, engaging in daily legal compliance work, including participating in major decision-making processes and providing risk prevention advice. This ensures that external regulatory policies are implemented within internal management systems, and the formulation and execution of related objectives are completed.

- **System Management**

To establish a comprehensive Group system management framework, standardize system management work, and create a scientific, rigorous, and adaptable system framework for the Group's operational management, ensuring the smooth execution of various operational management tasks, the Group organized various departments to carry out the concentrated construction of the Group's system management framework for the year 2024. On one hand, this was conducted around the adjustments in the Group's organizational structure and changes in departmental responsibilities, clarifying the responsibilities and workflows of each department after the adjustments. On the other hand, it was conducted based on the actual business needs of the Group's relevant departments and the requirements of higher-level units, focusing on the latest organizational structure adjustments and changes in responsibilities, issuing the *2024 Annual Concentrated Construction Plan for the Company System Management Framework* and promoting its implementation. The plan includes the revision of 45 systems such as the *Measures for the Management of Legal Compliance Audit*, and the addition of 8 new systems, focusing on the management methods and details of funds, human resources, procurement, information systems, and production safety. This aims to comprehensively strengthen the integration of internal control, compliance, and risk management systems across the Group's various business and management processes.

- **Annual Legal Compliance Audit**

During the year, the Group conducted compliance audits of compliance affairs based on the *Measures for the Management of Legal Compliance Audit*. On this basis, we expanded the focus of the audit, providing reminders from perspectives such as upstream and downstream fund payments and key clauses in contract performance, striving to offer greater professional support.

- **Annual Internal Control Compliance Evaluation**

During the Reporting Period, the Group systematically conducted evaluations of the internal control and compliance work for 2024, and issued The 2024 Annual Internal Control Compliance Evaluation and Risk management Work Report.



Part 3: Practicing ESG Governance and Strengthening Compliance Construction

- **Data Compliance Certification**

The Group strictly adheres to the *Personal Information Protection Law of the PRC*, the *Announcement on the Implementation of Personal Information Protection Certification*, and the *Implementation Rules for Personal Information Protection Certification*, among other laws and regulations. During the period, we conducted a comprehensive analysis of the certification systems, certification bodies, and certification content related to personal information protection. We also performed an exclusion analysis with the intersection points of existing product safety certifications and management system certifications, further solidifying the foundation for compliance management decisions.

- **Compliance Training**

The Group organizes compliance-related special training annually, ensuring comprehensive coverage of compliance training within the Group through multiple sessions on different themes and businesses. This establishes a rigorous work style of operating with integrity and enhances employees' compliance awareness. During the Reporting Period, the Group conducted special training on internal control compliance evaluation and the new version of the *Company Law of the PRC*.



Internal Control Compliance Evaluation Training

During the Reporting Period, the Group conducted internal control compliance evaluation training for all employees. By introducing the work background, regulatory requirements, work methods, key processes, and communicating potential internal control deficiencies identified at the current stage, the training thoroughly deconstructed the internal control compliance evaluation work to ensure clear instructions and smooth execution.



Part 3: Practicing ESG Governance and Strengthening Compliance Construction



Training on *The Impact of the New Company Law on Company Executives and Countermeasures*

During the Reporting Period, the Group engaged an external professional legal advisor to conduct training for all employees on *The Impact of the New Company Law on Company Executives and Countermeasures*. This training focused on the amendments to the new version of the *Company Law of the PRC*, explained the revisions, and, in conjunction with the Group's actual system construction, highlighted key amendments through case studies and provided constructive optimization suggestions.



Figure: Training Site



Part 3: Practicing ESG Governance and Strengthening Compliance Construction



Training on *Interpretation of Hot Topics in the New Company Law Amendments*

During the Reporting Period, the Group engaged an external professional legal advisor to conduct training for all employees on *Interpretation of Hot Topics in the New Company Law Amendments*. This training primarily explained the background, process, amendment details, and basic framework of the legislation and amendments to the *Company Law of the PRC*, further enhancing employees' awareness of legal compliance, improving the company's legal compliance risk prevention level, and fostering a corporate culture that emphasizes legal and regulatory and compliance.



Figure: Training Site



Part 3: Practicing ESG Governance and Strengthening Compliance Construction

Risk Management

The Group's risk monitoring and management work for the 2023-2024 period starts from five major risk categories: strategic, market, operational, legal, and financial. It dynamically monitors various risks with a focus on legal dispute risks and has developed preventive measures and response plans for them. The management regularly reports risk management and control-related content to the Board and listens to the Board's opinions and guidance.

During the Reporting Period, the Group strictly implemented the *Manual for Internal Control and Risk Management Provisions*. This policy set as a primary policy of the Group, clearly defines the responsibilities and divisions of labor of various departments and subsidiaries, the basic processes of internal control and risk management, communication mechanisms, and methods of supervision and evaluation.

Additionally, in response to the relevant requirements on debt and asset risk management for stated-owned entities, such as the restrictions on over-equity guarantees or guarantees to non-equity subjects, the Group conducts focused research, categorizes and controls the debt-to-asset ratio, and strengthens the control of implicit debts to prevent the cross-transmission of debt risks.

Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities



The Group is deeply rooted in the rail transit industry, enhancing the application of big data, cloud computing, and artificial intelligence technologies. By integrating industry scenarios such as operations control, operation and maintenance, passenger mobility, we address new scenarios and demands in rail transit operations and infrastructure development. We maintain a high level of investment in technological and application innovation, gradually upgrading existing products and solutions, and reserving iterative systems with industry application benefits. With new products and technologies, we aim to provide safer, more convenient, and user-friendly rail transit travel services.

R&D TEAM STRUCTURE AND BUSINESS MATRIX

The Group has established the IPIS Division, DIS Division, and IIS Division to provide specialized products and services, continuously advancing business development in various professional fields. At the same time, the Group has established a Research Institute, with subordinate Cloud and Data Innovation Center, Intelligent Rail Innovation Center, and Innovation Development Department, responsible for cloud computing and big data development and application, artificial intelligence and train scenario platform development and application, research projects and product project coordination, and intellectual property management, ensuring the continuity, compliance, innovation, and leadership of the Group's products and services.



Figure: BIIT R&D Innovation Platform



Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

R&D Team Development

The Group emphasizes the development of the R&D team, implementing the work policy of ‘respecting labor, respecting knowledge, respecting talent, and respecting creativity.’ We have formulated regulations such as the *Implementation Rules for Technological Innovation Awards*, and established awards for research application, research achievement transformation, technological achievements, and supporting awards. These are to provide open, fair, and just incentives, including awards and bonuses, to teams and individuals who have made outstanding contributions to the technological innovation work of the Group.

The Group implements the ‘Strengthening the Enterprise with Talent’ strategy, placing importance on the cultivation of R&D technical talent. To fully leverage the leading role of R&D technical talent in the Group’s technological innovation, technological advancement, and R&D work, we have established an R&D talent pool based on the principles of ‘selecting the best among the best, preferring quality over quantity, and prioritizing business needs.’ This involves a comprehensive review and classification of R&D talent, and the confirmation of training directions and plans for each talent tier.

High-caliber Talent	<p>Primarily refers to the company’s technical leaders with strong technical capabilities, possessing high levels of scientific research and technical proficiency, and the ability to analyze and solve complex technical or management issues;</p> <p>Serving as the technical leader in key company projects, technical breakthroughs, or management projects, and making significant contributions;</p> <p>Having considerable influence in areas such as science and technology awards, patents, standard formulation, publishing academic papers in core journals, or authoring academic monographs.</p>
Innovative Talent	<p>Primarily professional promoters of product and technology research, playing a backbone role in the technical field;</p> <p>Serving as a technical backbone in key company projects, technical breakthroughs, or management projects, and making significant contributions;</p> <p>Having considerable achievements in science and technology awards, patents, standard formulation, publishing academic papers in core journals, or authoring academic monographs.</p>
Young Scientific Research Talent	<p>Primarily young personnel with significant potential for development in various companies, participants in key company projects, technical breakthroughs, or management projects, providing support for technology R&D decisions;</p> <p>Achievements have been made in science and technology awards, patents, standard formulation, and the publication of academic papers.</p>

Table: R&D Talent Hierarchy



Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

Product Management System

The Group places great importance on the overall coordination and planning of the R&D system and its product projects. We have established regulations such as the *Measures for the Management of Scientific Research Projects* and continue to set up a Product Management Committee. This committee systematically organizes teams to complete tasks such as product planning, R&D project initiation, patent registration, demonstration projects, product transformation, and overall product coordination, laying the foundation for maintaining innovative development.

This year, the Group, in accordance with the *Product Management Committee Management Rules*, has comprehensively promoted the work of the Product Management Committee. The Product Management Committee is an important decision-making body established for matters related to product management. It reviews issues including the company's product policies, development directions, project evaluations, process management, outcome acceptance, and iterative upgrades, aiming to reduce risks in the product management process and enhance the scientific nature of final decisions, thereby providing support for the Group's decision-making. The main levels and responsibilities of the Product Management Committee are as follows:

Director of the Product Management Committee	Appointed by the Research Institute, responsible for convening regular meetings of the Product Management Committee and comprehensively reviewing relevant issues.
Demand Commissioner	Composed of technical experts from the Group and its subsidiaries, responsible for participating in key matters such as product project evaluation and product acceptance review, with a focus on reviewing the technical feasibility, technical rationality, technological advancement, alignment with industry development trends, and market implementation prospects involved in each matter.
Management Commissioner	Recommended by various departments of the Group, they specifically participate in key matters of product management such as product project initiation review, periodic execution summary analysis, product acceptance review, product suspension or termination review, and determination of joint product promotion models. The focus is on reviewing the necessity of the product, the reasonableness of revenue forecasts, financial rationality, and the reasonableness of external cooperation involved in each matter.

Table: Structure and Responsibilities of the Product Management Committee



Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

Product Development Process

Product Submission	According to the Group's published <i>Product Management Measures</i> , products are categorized into independently developed products and jointly developed products. The Group and each subsidiary company submit their product plans in the first quarter of each year. After review by the Product Management Committee and the President's Office Meeting, the annual product plan is finalized, and each relevant unit promotes internal project initiation based on the annual product plan.
Product R&D	Each unit independently develops product projects and regularly reports key progress and deliverables to the Group. An annual summary of product projects is provided in the fourth quarter of each year, which is integrated and analyzed to form the Group's annual summary, and reported to the Product Management Committee and the President's Office.
Product Acceptance	After completing the development work within the cycle, each unit promotes internal acceptance and submits relevant materials to the Group. These are consolidated, and based on the needs of each project, relevant experts or members of the Product Management Committee are invited for formal acceptance.
Product Change	If changes occur during the execution process by various units, a change application should be made according to the company's product management system, and graded control should be implemented based on the type of change.

Table: Product Development Process

Intellectual Property Protection

The Group deeply understands that protecting its own intellectual property and ensuring that the Group's business activities do not infringe on third-party intellectual property are key tasks in maintaining a good research and innovation environment and supporting the Group's steady development. The Group, based on the established *Management Measures for Intellectual Property Rights* and *Intellectual Property Compliance Management Measures*, continuously improves the system development for infringement risk, invests funds to protect intellectual property, and actively organizes intellectual property-related training.

The Group imposes confidentiality requirements on technical solutions, technical materials intended for intellectual property protection applications, products, and engineering projects, and urges employees to strictly comply. In case of violations, the Group will impose penalties on employees who leak confidential information in accordance with the *Measures for the Administration of Employee Rewards and Punishments*.



Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

All research projects of the Group's engineering projects require the signing of a '*Confidentiality Agreement*' for the project. The '*Confidentiality Agreement*' clearly defines the confidential information within the project, stipulates the use of all intellectual property involved in the project, lists the rights and obligations of the signatories, and details the liabilities for breach of contract, including but not limited to penalties and compensation for other losses. During the year, no employees of the Group violated the relevant confidentiality commitments.

This year, the Group has conducted specialized patent training for professionals in R&D, technology, and quality control.

Intellectual Property Training

Patent Application and Examination	Introduction to patent types, application process stages, and important documents
Technical Disclosure Writing	Using case studies to introduce sections of the technical disclosure, emphasizing writing requirements
Utilization of Patent Information	Introduction to the definition of patent information, utilization needs, and scenarios
Patent Rights Protection	Clarification of patent rights duration, owner rights, and methods of patent rights protection

Table: Intellectual Property Training Topics

R&D INNOVATION STRENGTH AND CORE ACHIEVEMENTS

R&D Investment

In 2024, the Group invested approximately HKD159.6 million in R&D expenses. Due to improvements in our R&D efficiency, the R&D expenses for this year decreased by about 6.6% compared to 2023. Continuous R&D investment effectively stimulates the innovative vitality of the enterprise, accumulates potential for future development, and supports the Group in providing more advanced products and technologies for the rail transit industry.

Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

R&D Achievements

This year, the Group has comprehensively reviewed its scientific research and technological resources, integrating research capabilities and coordinating the Group's data and cloud-based general infrastructure platform capabilities to create a synergistic value. Focusing on the '3+2' business pattern, the Group is prioritizing the development of 'digital intelligence' unified technologies, including the Urban Rail Big Data Platform, Urban Rail Transit Cloud Integrated Management Platform, Rail Transit Train On-board Edge Cloud Platform, and Urban Rail Transit Intelligent Algorithm Platform.

- This year, the Group successfully launched the Rail Transit Train Onboard Edge Cloud Platform 2.0 and the Big Data Data4U 1.0 product.
- This year, the Group's self-developed achievements, the 'Rail Transit Data Management Solution' and the 'Urban Rail Maintenance Assistant Based on Large Models,' respectively won the 'Top 10 Most Technologically Innovative Awards' and the 'Top 10 Rail Transit Industry Large Model Application Demonstration Awards' at the Zhongguancun Rail Transit International Innovation and Entrepreneurship Competition.



Figure: Honorary Certificate of the Zhongguancun Rail Transit International Innovation and Entrepreneurship Competition

As of December 31, 2024, the Group has cumulatively obtained 149 patents and 645 software copyrights, including 29 patents and 77 soft copyrights acquired during the year, primarily focusing on intelligent passenger services, automatic fare collection system, data management and analysis, signal acquisition and processing, broadcasting and communication, vehicle operation and maintenance, safety and monitoring, and infrastructure. The Group had no legal disputes related to intellectual property during the year.

This year, the Group's research projects made significant progress, completing the project acceptance review for the topic 'BIITT-2022-09-Key Technologies and Application Research of Intelligent Dongba Travel Services,' as well as the mid-term and acceptance reviews for the project 'BIITT-2022-07-Research and Application of Key Technologies for Subway Train Electrical Fault Management Based on Vehicle Operation Status Monitoring'. Among the accepted projects, the outcomes of four projects, namely 'BIITT-2021-02-Rail Transit Onboard Edge Cloud Technology Research,' 'BIITT-2021-03-Intelligent Control System Construction and Platform Application Research for Engineering Construction Safety Production,' and 'BIITT-2022-03-Commercial Cryptography Application Evaluation System Development,' have been transformed into products and applied in relevant projects such as Beijing Subway Line 13, Shenzhen Subway Line 16, Beijing Sub-Center Hub, and the Beijing Municipal Commission of Transport.



Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

“Data” and “Intelligence” Combined Solutions



Urban Rail Big Data Platform

This year, the Urban Rail Big Data Platform product further achieved unified integration of various functional modules, with a focus on data governance, integrating functions such as data collection, analysis, and service to provide strong technical support for the implementation of data governance. At the same time, the data collection capability of the Big Data Platform product was further strengthened, addressing the support issues of commonly used data collection protocols in various urban rail specialties, and optimizing the synchronization method of the management network database, providing more possibilities for comprehensive data collection and management.

The Urban Rail Big Data Platform has applied various new products and technologies, including two “data” and “intelligent” unified products, providing users with end-to-end data governance and analytical application solutions.

Data4u Unified Data Management Platform

The Data4u Unified Data Management Platform encompasses four major modules: Unified Data Access Platform (uDAP), Unified Data Model Service (uDMS), Unified Data Sharing Service (uDSS), and Unified Data Governance Service (uDGS). It is dedicated to addressing the challenges of complex data collection, difficult data circulation, and weak operational control in rail transit. The Data4u product supports data exchange and sharing for rail transit, building an agile, flexible, and secure data sharing platform, comprehensively managing the entire data lifecycle, and assisting in the construction of rail transit data warehouses and data asset management.

Currently, the Data4u product has been implemented at the Beijing Road Network Big Data Center, supporting the entire process of data access, data governance, and data services. Meanwhile, the Data4u product is being used in the construction of the Jinan Metro data sharing platform, achieving a series of data management applications such as data governance, data services, and the construction of an open data market.

RDAS Rail Transit Data Analysis System

The RDAS Rail Transit Data Analysis System focuses on user value delivery needs, providing capabilities such as intelligent modeling, indicator management, indicator application, agile BI, and digital intelligence assistants, addressing the shortcomings of traditional BI products.

Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities



Rail Transit Train On-board Edge Cloud Platform

To address key challenges in the rail transit onboard scenario, such as difficult cross-module management, large equipment space occupation, and high data redundancy, the Group has independently developed an Onboard Edge Cloud Platform. The system adopts a cloud node module train distributed deployment, helping customers build a lightweight onboard edge cloud that integrates in-vehicle and external communications, video playback, video surveillance, intelligent analysis, smart environmental control, and intelligent operation and maintenance, achieving integration, efficiency, secure usage, and unified management of onboard services.

This year, the Group, building on the existing platform technology, designed a brand-new onboard edge cloud hardware platform that supports greater computing power, developed and adapted high-computing power modules, designed and developed an MLOps algorithm development system, and deployed an algorithm development platform suitable for it. We focus on enhancing the business carrying capacity of the product to meet the incremental demands of future business for computing resources and capabilities. Through comprehensive lifecycle management of algorithm development, one-stop development, deployment, online operation, and maintenance of algorithms are achieved, thereby enhancing the cloud deployment capability of algorithms.

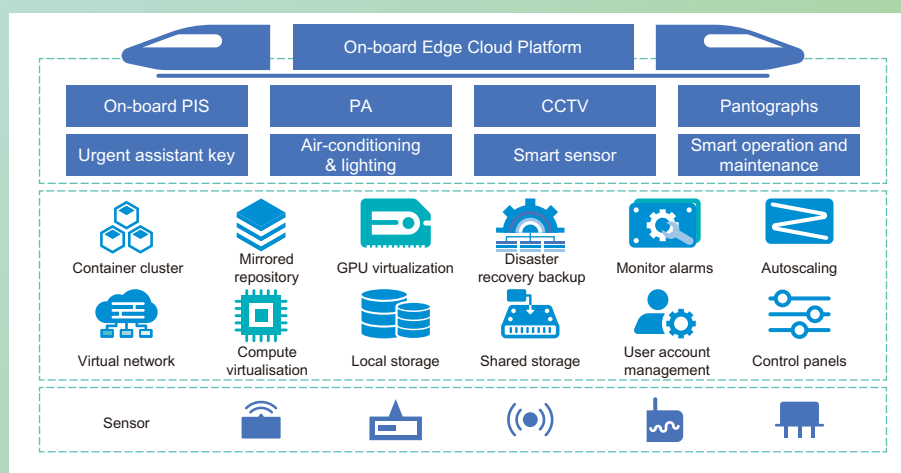


Figure: Main Functions of the Onboard Edge Cloud Platform

Intelligent Development Solutions

China is rapidly advancing a 'people-centered' new urbanization development, which provides development opportunities for the rail transit industry and also sets higher requirements in terms of safety, convenience, intelligence, and low carbon. As an important member of China's rail transit construction, operation, and service ecosystem, the Group actively seizes policy opportunities in industry development. While maintaining traditional advantages, we explore market potential driven by new trends, empowering rail transit operators to improve operational efficiency, optimize passenger experience, and contribute to the development of new green intelligent communities, enhancing urban livability. Through the implementation of multiple innovative solutions and services, the Group continuously contributes to helping clients achieve carbon reduction, upgrade services to enhance passenger travel experience, and empower green intelligent management.



Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

- **Understanding the Needs to Assist Clients in Achieving Carbon Reduction Goals**

We are acutely aware of the critical role that enterprises play in achieving carbon reduction goals and are committed to helping clients monitor and optimize energy consumption through solutions such as smart energy management systems, reducing carbon footprints, and providing greener and cleaner rail transit operation services.



Rail Transit Smart Energy Consumption Control System

The Rail Transit Smart Energy Consumption Control System measures energy usage by category, item, and household across lines, stations, and vehicle segments, enabling real-time measurement of energy units and equipment. It collects relevant energy real-time consumption data, providing precise data support for energy management, energy analysis, and energy diagnostics at all levels of energy units. The system conducts a comparative analysis of energy consumption data collected before and after the adoption of energy-saving technologies or equipment, thereby quantitatively assessing the energy-saving effects to verify whether the energy-saving method meets expectations. By managing the entire process of subway energy consumption data, a 'perception-analysis-decision' energy management closed loop is constructed. This product effectively promotes energy saving and consumption reduction in subway operations and maintenance, forming a comprehensive green urban rail solution, and assists the urban rail transit industry in accelerating its transition to green practices.



Smart Lighting System

The Smart Lighting System integrates lighting fixtures and various sensors with IoT chips through sensing technology, IoT technology, and wireless communication technology. It allows the lighting in controlled areas to be preset for various scenarios, such as normal work mode, energy-saving mode, shutdown mode, arrival mode, departure mode, manual mode, and peak hours mode. It can also be controlled through strategy configuration, automatic time control, and central monitoring control of lighting terminals. This enables adaptive lighting control, where the brightness is reduced in less populated areas and increased according to pedestrian routes upon detection, further achieving on-demand lighting and high-efficiency energy saving. This significantly reduces subway lighting electricity consumption without affecting the passenger experience, aligning with the national dual-carbon strategy.

The project has been officially put into operation on Shaoxing Metro Line 1 and Shenyang Metro Line 1. At the same time, we will actively expand the application areas of smart lighting, with future demonstration applications in office parks, commercial buildings, underground parking lots, and other scenarios.



Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

- **Upgrade Services to Optimize Passenger Travel Experience**

We highly focus on the passenger travel experience by developing and applying more intelligent and considerate service platforms, assisting operators in ensuring passenger travel safety and convenience, and ensuring the service level of rail transit operators and the passenger travel experience.



Smart Passenger Service Platform

The Smart Passenger Service Platform project is based on the challenges faced by actual rail transit operations, considering the demands of both passenger experience and rail transit operations. It aims to form a smart passenger service solution with the goals of improving operational efficiency and passenger experience.

In terms of passenger experience: The platform provides more convenient and considerate travel services, from traffic information navigation and planning to smart security checks and ticket inspections after entering the station, control of the travel environment, information notifications, and passenger inquiries, including intelligent customer service and voice responses. It can also provide real-time updates on carriage congestion levels, environmental controls, and transfer information for waiting passengers.

In terms of rail transit operation: The platform provides sub-modules such as comprehensive video analysis and intelligent analysis hosts, which can help operators optimize train operation and flow control, achieve intelligent monitoring and early warnings, and enhance public transportation emergency response capabilities.

The intelligent monitoring and early warning functions of the Smart Passenger Service Platform can monitor the driver's driving status, vehicle operation conditions, and station emergencies in real-time, and perform intelligent analysis of on-site images and videos, assisting operators in promptly identifying and handling abnormal situations. The platform is also equipped with emergency assistance and alarm functions to ensure passenger safety.

Through control and function optimization, the Smart Passenger Service Platform has increased equipment integration, reducing server resource investment by approximately 40% and significantly enhancing operational efficiency.

This year, the platform has completed its development tasks and has undergone iterative optimization based on the needs of actual implemented projects. In terms of saving energy consumption, improving energy use efficiency, optimizing social service functions, and enhancing residents' living experience and comfort, the project utilizes core technologies such as AI deep vision algorithms and image recognition algorithms to achieve functions like abnormal passenger behavior perception, equipment status monitoring, driver fatigue monitoring, and environmental perception and automatic adjustment, with further upgrades and optimizations.



Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

- **Enhancing Efficiency to Ensure Green Operation and Maintenance**

We believe that the green requirements for operation and maintenance are an important trend for future development. Through solutions such as the Intelligent Operation and Maintenance System, we coordinate and optimize operation and maintenance workflows, upgrade data management, fault diagnosis, risk warning functions, and assist clients in improving operation and maintenance efficiency.



Intelligent Operation and Maintenance System

The Intelligent Operation and Maintenance System developed by the Group is the industry's first operation and maintenance system based on 'equipment imaging.' Utilizing big data, model algorithms, and 3D visualization technology, it provides functions such as data collection, data processing, real-time monitoring, fault diagnosis, and fault warning. It enables seamless interconnection of on asset, operation and maintenance, and resource consumption information, offering a fast, intuitive, and accurate reflection of the operator's asset maintenance. The system enables high-standard and standardized input of maintenance service fault information, reducing communication costs between personnel, while minimizing the workload of data analysis. It effectively enhances the operator's capabilities in maintenance planning, component procurement, and material management, aiding rail transit operating companies in improving quality and efficiency.

This year, the system has completed the acceptance work. The system has been deployed in the Shenzhen Metro Line 12 and Line 16 projects, assisting operators in utilizing functions such as fault detection and location, critical component failure warning, and remote control to synchronize stocking of faulty components or components with potential faults in operating vehicles, thereby improving maintenance efficiency and reducing safety hazards during operation. The system has strong versatility, compatibility, and scalability, and can be applied not only in the transportation industry but also in smart buildings, smart campuses, and other fields.

Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities

INDUSTRY EXCHANGE AND JOINT DEVELOPMENT

The Group values opportunities for industry exchange and cooperation, actively participating in major exhibitions, forums, and award selection activities to enhance brand image, seek market expansion opportunities, engage in technical exchanges with professionals, and continuously advance the optimization of Group products and services as well as the in-depth exploration of innovative technical knowledge.



- **MetroTrans 2024 Beijing-Nanjing International Urban Rail Transit Exhibition and Summit Forum**

The 2024 Beijing-Nanjing International Urban Rail Transit Exhibition and Summit Forum, themed 'Diverse Integration for High-Quality Sustainable Development,' integrates achievement display, technology promotion, summit forums, and cooperative exchanges. It focuses on showcasing advanced technological and product innovation achievements and scientific research accomplishments in the urban rail transit field. The Group's six subsidiaries showcased cutting-edge products and core technologies, covering comprehensive smart passenger service solutions, urban rail big data solutions, smart lighting products, fire safety products, intelligent edge controllers, and more, fully demonstrating the company's innovative technological achievements and capabilities.

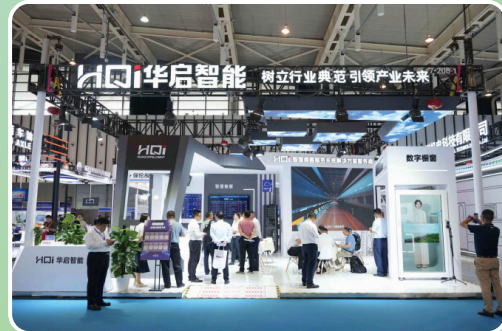
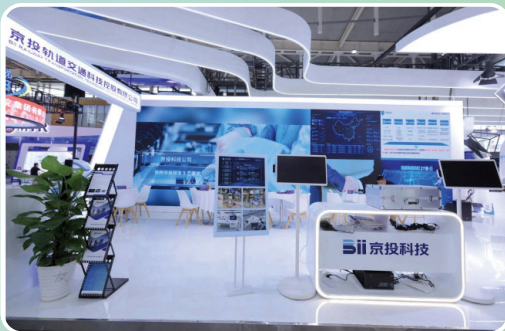


Figure: Exhibition Booth Site

Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities



- **InnoTrans 2024 Berlin Rail Transit Technology Exhibition, Germany**

InnoTrans is a globally leading transport technology exhibition, serving as a global industry exchange platform that brings together various innovative technologies and professionals from the rail transit industry. The Group's subsidiary, Huaqi Intelligent, showcased its latest R&D achievements at the exhibition, focusing on the self-developed PIS that constructs onboard integrated platforms and vehicle-ground integrated platforms, among other system products. The event brought together industry elites from around the world, demonstrating the strength of China's intelligent manufacturing.



Figure: BIITT Exhibition Booth Site



- **RT FORUM 8th China Smart Rail Transit Conference**

The RT FORUM 8th China Smart Rail Transit Conference centered around the theme 'Multi-dimensional Integration, Leading the Future,' focusing on exploring and promoting deep integration and smart innovation in the rail transit industry across various dimensions such as technology, management, and services. The Group's subsidiary, Huaqi Intelligent, was invited to participate in the conference, delivering a remarkable speech on the theme 'Smart Passenger Services: Huaqi Intelligent's Thoughts and Practices,' and was interviewed by the organizers.



Figure: Event Site

Part 4: Focus on Industry Scenarios and Integrate R&D Capabilities



- **2024 AFC Committee Summit**

The 2024 AFC Committee Summit, themed 'New Quality Productivity Driving New Development of AFC Systems,' focuses on the development of new quality productivity in Rail Transit AFC. It aims to deepen the alignment of needs, experience exchange, and idea-sharing among owners, design units, general contractors, integrators, and equipment manufacturers in the AFC field, strengthening collaborative cooperation to contribute valuable insights for enhancing quality, efficiency, and innovative development in Rail Transit AFC. The Group's subsidiary, Beijing Infrastructure Investment Co., Ltd. Rail Transit Technology Holdings Limited, was invited to participate as a deputy director of the special committee and delivered a keynote speech on 'Practicing New Quality Productivity to Aid the Integrated Development of Beijing Subway.'



Figure: Event Site



- **2024 China Urban Rail Transit Fire Safety Conference**

The 2024 China Urban Rail Transit Fire Safety Conference conducted an in-depth analysis of the new issues and challenges emerging in the field of urban rail transit fire safety. Through extensive academic exchanges, it provided highly valuable insights and practical solutions to address these challenges. The Group's subsidiary, EJE Beijing, was invited to participate in the conference and reported on the content and progress of the *project Research on the Localization Integration and Deep Perception Collaborative Management Platform for Urban Rail Transit/Underground Space Fire Automatic Alarm System*.



Figure: Event Site

Part 5: Ensuring Project Quality and Upholding Service Quality



As a key participant in the rail transit industry serving the public's daily travel needs, the Group is well aware that the systems and products we provide are fundamental infrastructure and essential tools supporting the daily operations of rail transit operators, with significant passenger experience attributes. Therefore, our solutions and services must be robust in terms of safety and reliability, and operational maintenance responses must be timely and efficient. We focus on customer needs to create high-quality projects and intelligent products, strengthen supply chain resilience, ensure safe production, and comprehensively improve operational quality.

CONSOLIDATE THE QUALITY FOUNDATION AND IMPLEMENT QUALITY CONTROL Quality Control System and Qualification Certification

In order to continuously improve the quality of products and services, we adhere to the principle of 'Quality First, Customer Priority,' establishing a top-down vertical management system from the Group to the subsidiaries. The Group undertakes the planning tasks of overall quality management work and is responsible for supervising and spot-checking the quality management status of each subsidiary company and its projects to ensure that all quality management requirements are effectively implemented. The subsidiary is responsible for organizing and managing their respective projects, addressing quality issues, and ensuring the stability and orderly execution of project quality management activities.

• IPIS

The IPIS business provides customized onboard and platform passenger information systems. The quality assurance work of our products and systems is divided into three stages: R&D, production, and operation and maintenance:

R&D Stage	This stage covers project initiation review, risk identification and analysis, reliability testing, and other activities, planning and verifying the product's reliability, availability, maintainability, and safety from the design stage.
Production Stage	IPIS possesses a comprehensive quality control system, with key quality control points including incoming material inspection, first article inspection, finished product inspection, and shipment inspection, as well as the timely delivery of design and testing documentation.
Operation and Maintenance Stage	Ensure response speed and problem-solving efficiency, providing technical guidance and training according to customer needs and project characteristics.

Table: 3 Stages of Quality Assurance

Part 5: Ensuring Project Quality and Upholding Service Quality

The IPIS business has independently innovated and built a quality management platform, achieving a 'digital transformation' of quality management. The goal is to systematically and comprehensively promote the deep integration of digital technology and quality management. From 2022 to 2024, the quality team and IT development team of the intelligent passenger information service business have progressively adopted a modular and phased iterative approach to independently innovate in the conception, design, development, testing, and promotion of various quality management modules. The overall architecture of the quality management platform includes three major sections: quality management, supplier management, and document management. The quality management system serves as the main business platform, while the supplier management system and document management system operate independently. They are interconnected through backend system interfaces to facilitate an integrated operational model.

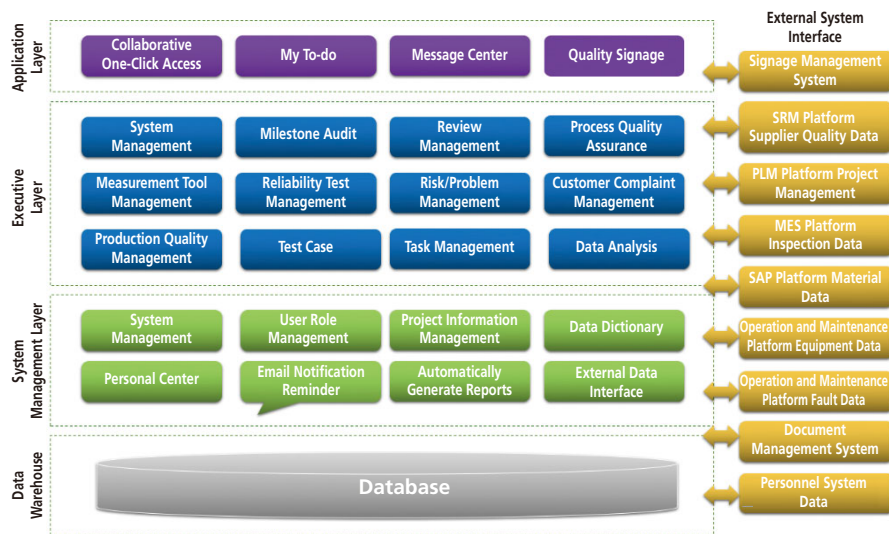


Figure: Quality Management Platform

Part 5: Ensuring Project Quality and Upholding Service Quality

The self-established environmental management control (EMC) and environmental testing reliability laboratories of the IPIS business also support the effective operation of our quality system. The laboratory is equipped with the conditions and qualifications to complete more than ten important tests required by the industry, fully meeting international and domestic industry standard testing requirements.

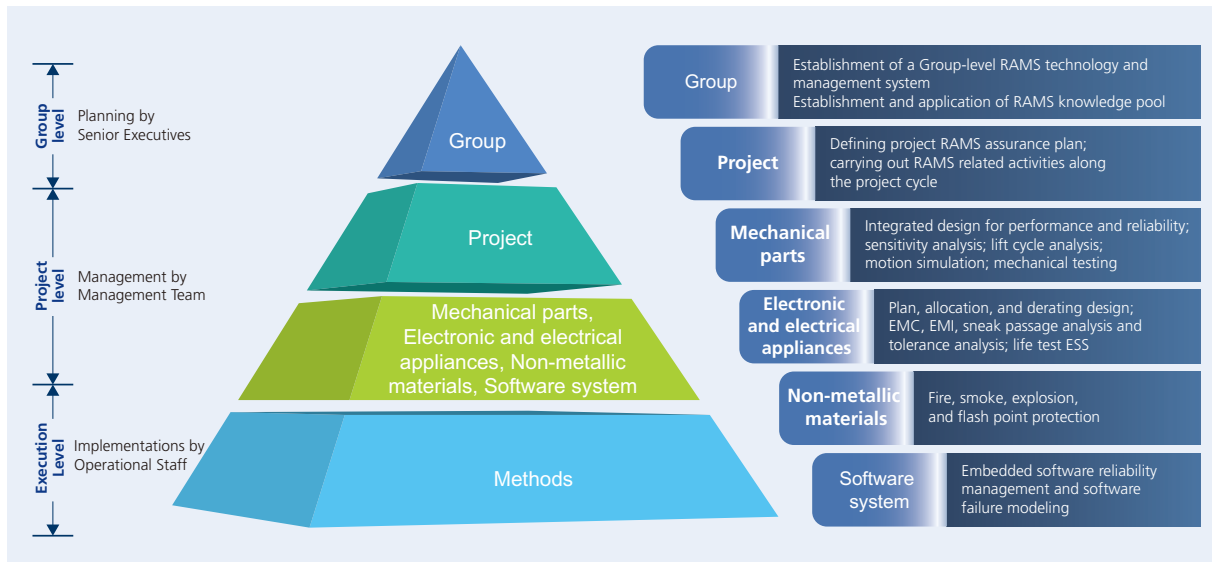


Figure: Quality Management Responsibility System

The quality reliability laboratory set up by the IPIS business is equipped with various testing equipment, mainly including: rapid temperature change and humidity test chamber, constant temperature and humidity chamber, high-temperature test chamber, intelligent group pulse generator, intelligent lightning surge generator, vibration test bench, frequency drop generator, salt spray test chamber, and drop tester, etc.



Figure: Quality Reliability Laboratory

Part 5: Ensuring Project Quality and Upholding Service Quality

During the Reporting Period, we actively cooperated with overseas market clients in the due diligence of quality control processes during the bidding stage. The quality assurance function is involved early to identify the needs of the other party. For target clients who not only focus on functional quality but also equally value the characteristics of process, material quality, operational process audits, and test result verification, we adopt an open and learning attitude to fully cooperate. This not only demonstrates our high responsiveness but also strengthens and enhances the quality system.

In addition, we place great emphasis on building a quality culture by regularly publishing the internal magazine *Voice of Quality* to educate employees on quality-related knowledge, enhance their quality awareness, and recognize teams and individuals who have made significant progress in quality, thereby stimulating greater enthusiasm and initiative in quality management.



Figure: Voice of Quality published in 2024

• DIS & IIS

The Group's DIS business and IIS not only deliver self-developed products such as the Automatic Fare Collection System, Clearing Center System, and Smart Construction Site, but also undertake metro system general contracting projects that integrate various system units. In the implementation of the project, we focus on customer needs, maintaining a balance between flexibility and control: we rigorously adhere to technical standards, product quality, and project timelines for each step such as project design, equipment selection, software development, and system debugging, while also maintaining a certain degree of flexibility to accommodate reasonable customer change requests.



Part 5: Ensuring Project Quality and Upholding Service Quality

During the project execution process, we strictly comply with internal management regulations such as the *Approach to Project Management*, covering the entire process from initiation planning, tracking and control, acceptance and settlement, to operation and maintenance. Simultaneously, the *Quality Assurance Plan* and *Project Quality Management Plan* are formulated to plan the quality assurance and quality management activities for the project.

According to the *Project Quality Assurance Plan*, the quality management of each project is tracked throughout by the project manager and a specially assigned project quality engineer. At the end of the project, a comprehensive quality review of each subsystem unit and the overall project is conducted, and the *QA Inspection Report* for the project is submitted. In the first quarter of 2024, we established the annual QA inspection plan and began organizing QA engineers from various departments in the second quarter to conduct process compliance inspections on key ongoing projects according to the plan. Among them, the focus is on checking whether each project team conducts process tracking inspections as required, whether there are any plan deviations, whether there are corrective measures, and whether the project team manages the process, resources, and technology according to relevant standards and procedural documents.

Project Initiation and Planning	Requirements Analysis and Design	Implementation and Testing	Monitoring and Control	Risk Management
Milestone Review	Delivery and Release	Shipping and Arrival	Commissioning	Acceptance and Closure

Table: QA Inspection Content

Quality System Certification

Continuously enriching the quality system certification and technical capability qualifications has always been a key focus of the Group's operational standardization, regulation, and capacity building. Years of continuous development have also led to a more refined qualification structure and certification management system for the Group. In 2024, the Group conducted and completed a total of 68 certification projects, with 6 new certifications added this year.

Important Qualifications	Acquisition Status
Quality Management System Certification ISO9001	6 subsidiaries of the Group have obtained the relevant certifications
Environmental Management System Certification ISO14001	6 subsidiaries of the Group have obtained the relevant certifications
Occupational Health and Safety Management System Certification ISO45001	5 subsidiaries of the Group have obtained the relevant certifications
Information Technology Service Management System Certification ISO20000	4 subsidiaries of the Group have obtained the relevant certifications
Information Security Management System Certification ISO27001	5 subsidiaries of the Group have obtained the relevant certifications

Table: Status of Important Qualifications Acquisition

Part 5: Ensuring Project Quality and Upholding Service Quality

BIIT's six Sustainable Development Goals include 'We aim to have more sizeable production-focused subsidiaries ISO 45001 certified by 2025'. During the Reporting Period, the Group's 5 subsidiaries have obtained the relevant certifications. The Group will continue to advance the acquisition of ISO45001 certification by other subsidiaries to ensure the successful completion of the target by 2025.

During the Reporting Period, Huaqi Intelligent, a subsidiary of the Group, completed the transition to the new ISO/TS 22163:2023 standard for the Rail Transit Industry Quality Management System, successfully passed the certification, and obtained the new certificate. The certification score improved from 72% in 2023 to 76.82% in 2024, meeting the 'Silver' rating requirements. Huaqi Intelligent introduced and passed the EN17460 European Adhesive Quality Management System A1-level procurement qualification certificate, while continuously operating in accordance with the established ISO14001 Environmental Management System, ISO45001 Occupational Health and Safety Management System, ISO50001 Energy Management System, and ISO27001 Information Security Management System requirements, all of which successfully passed the certification audits.



Figure: ISO/TS 22163:2023 Certification Certificate and
EN17460 A1 Level Certificate



Part 5: Ensuring Project Quality and Upholding Service Quality

EMPHASIZING COMMUNICATION FEEDBACK TO ENHANCE CUSTOMER SATISFACTION

The Group's customers primarily consist of rail transit operators, rail transit integrators, and train manufacturers. Customer satisfaction is always regarded as one of the core value measurement standards, with meeting customer expectations as a key work objective.

Deeply Embedded Customer Relationships

• IPIS

The Group's IPIS business provides customers with rail transit passenger information systems and after-sales services. After product testing and acceptance, they participate in passenger services, dispatch maintenance personnel, or conduct regular visits to vehicle factories. During the Reporting Period, the IPIS business in China achieved a cumulative installation of PIS systems on 2,224 train cars. It equipped the lines with maintenance network points and service personnel, continuously providing customers with one-stop services and committing to round-the-clock service response.

We continue to expand into overseas markets, ensuring that our products and service levels meet the production process requirements of existing and potential international customers in Asia, Southeast Asia, the Middle East, Europe, and the Americas. This urges us to enhance process management transparency and integrate functional results into the production process to achieve comprehensive assurance.

During the Reporting Period, the IPIS business had a total of 84 projects under implementation and delivered a total of 18 projects.

• DIS

The Group's DIS business focuses on customer needs. This year, we have observed that customers are increasingly emphasizing advanced analytical management functions of data, with the demand for data processing shifting from data collection and coordination to data elementization, resourceization, and assetization. We will specifically explore diverse and personalized methods of data application to comprehensively enhance user experience, optimize business operations, maintain service quality, strengthen brand reputation, and strive to provide customers with the most cost-effective products and services.

The DIS business requires project teams to maintain daily communication with clients, jointly determine integration plans, discuss change requests, and adjust technical specifications, ultimately delivering projects according to agreed standards. Based on project characteristics and service needs, a warranty period of 3-5 years is established.

During the Reporting Period, the DIS business had a total of 87 projects under implementation and delivered a total of 25 projects.

• IIS

The Group's IIS business actively understands market changes, listens to customer feedback, and incorporates it into the design and development of new products, as well as the upgrading and optimization of existing products. The IIS business also continuously maintains daily communication with customers to jointly establish product requirements, cooperation plans, and work terms, ensuring the smooth completion of cooperation.

During the Reporting Period, the IIS business had a total of 19 projects under implementation and delivered a total of 7 projects.



Part 5: Ensuring Project Quality and Upholding Service Quality

Diverse and Smooth Communication Channels

We strictly adhere to internal regulations such as the *Customer Complaint Management Regulations* and the *Customer Communication Management Procedures*. At the same time, we continuously strengthen process management to enhance the service awareness and responsibility of on-site project managers, ensuring timely handling of any issues discovered. In addition to on-site communication, we offer multiple channels such as phone, email, WeChat, and the client QMS system for customers to provide feedback on project delivery, product quality, or product services.

The Group's commitment to customers is also reflected in legally binding contracts, actively responding to the integrity and honesty requirements explicitly stated in some customer contracts, and performing related party confirmation procedures. We also provide relevant audit complaint channels to facilitate customers in file complaints through various means.

Track and monitor customer satisfaction

According to the *Approach to Project Management* and the *Procedures for the Administration of Customer Satisfaction*, the Group conducts satisfaction surveys twice a year, analyzes the survey results, and suggests improvement measures, forming the *Customer Satisfaction Survey Analysis Report* to report to the Group management.

During the year, the Group continued to engage a third-party professional company to conduct two customer satisfaction surveys in the first and second half of the year. The survey scope covered all projects under implementation or completed within the year, involving three major categories: operation and maintenance, software, and integration engineering projects. Based on the distribution of survey questionnaires, this year's satisfaction survey also added a customer interview segment. By conducting telephone follow-ups with a sample of customers, the objectivity and accuracy of the survey were enhanced, and customer demands were addressed more effectively.

The satisfaction survey in the first half of the year covered a total of 128 projects, with an overall satisfaction score of 99.21 points. In the second half of the year, 131 projects were surveyed, achieving a satisfaction score of 99.04 points, meeting the management target of exceeding 90% customer satisfaction. Overall, customers and users have given high recognition to the project delivery and services of the Group. During the Reporting Period, the Group did not receive any major customer complaints, nor were there any product recalls.

IMPLEMENTING SAFETY RESPONSIBILITIES TO ENSURE INFORMATION SECURITY

Customer Data and Information Security

The Group's solutions and products, such as the subway automatic fare collection and ticket inspection systems, network clearing and settlement systems, command center systems, and passenger information systems, carry a large amount of operational activities and passenger behavior information in daily customer use. Therefore, the security and reliability of these systems are of utmost importance.

In the process of integrated system development, we design the system's security level based on relevant national laws and regulations, industry standards, and the attributes of various types of information. At the same time, we standardize the management of security level protection, clarify the principles of level protection work, and ensure that the systems and products we provide offer appropriate security protection for the collection, transmission, processing, interaction, and storage of operational activities and passenger behavior information for rail transit operators.



Part 5: Ensuring Project Quality and Upholding Service Quality

In terms of customer information protection, the Group has established important systems such as the *Personal Information Processing Full Process Protection Management Measures*. We collect personal information based on the principles of 'lowest frequency, shortest cycle, smallest scope, and minimal impact on personal rights,' and announce the purpose of collecting this information. For the collection and processing of certain sensitive information, we strictly implement the consultation procedure with the parties involved, and must obtain their consent in advance.

The Group requires project members who need to access confidential customer information during project construction and operation and maintenance services to sign confidentiality agreements and implement corresponding approval, authorization, and confidentiality procedures and security measures. The project leader is also the primary person responsible for the project's confidentiality work, ensuring the provision of necessary resources for confidentiality efforts.

Proprietary Data and Information Security

The Group places great importance on the protection and confidentiality of data and information for both internal and partner entities. During the Reporting Period, the Group released the *Data Classification and Management Guidelines*, and relevant operations in project implementation and corporate management are certified with the effective ISO27001 information security system.

This year, the Group updated the *Network and Information System Security Management Measures*, clearly defining network security requirements for all employees. It requires all departments, units, and employees to sign confidentiality agreements and security responsibility statements, and incorporates network security and data security management into relevant contracts. The Group has established strict regulations for employee network security protection, outlining employee responsibilities, such as prohibiting activities that harm network security, network security responsibilities for company and personal devices, and network security protection responsibilities in special circumstances. At the same time, the Group requires each department and subsidiary to regularly conduct training on network and data security, as well as personal information protection, to continuously enhance employees' awareness and capability in network and data security and personal information protection. During the Reporting Period, there were no related employee violations in the Group.

The Group also imposes requirements on information technology equipment and environmental safety, implementing full-process control from the construction, modification, adjustment, launch, and access control measures of network and information systems, to recording. Each department and subsidiary is required to appoint dedicated or part-time network administrators responsible for the daily monitoring and inspection of network security operations, managing network resources and their configuration information, establishing and maintaining comprehensive network operation and maintenance records, and promptly identifying and resolving network anomalies. For critical self-built data centers, the Group establishes data center facilities and environmental monitoring systems as needed. These systems monitor essential facilities such as data center air conditioning, fire protection, uninterruptible power supply (UPS), power supply and distribution, and access control systems. At the same time, we strictly manage the access rights to self-built and self-managed data centers. Personnel can only enter the data center after authorization and can only operate data center equipment after further authorization. Unauthorized personnel are not allowed to enter the data center at will.



Part 5: Ensuring Project Quality and Upholding Service Quality



Network and Information System Access Control Measures:

- Group and classify to set operational permissions, operators set their own user accounts and passwords, and are responsible for their access control permissions;
- System administrators regularly check system permission settings and promptly adjust any inappropriate operational permissions;
- Prevent any utilities, system software, and malware that can bypass system controls or application controls from unauthorized access to the system;
- Establish isolated operating environments for important sensitive systems.

This year, the Group organized three information security-themed training sessions, covering information technology liaison officers from various departments of the Group. The content included network information and data security, software legalization, and data classification management. At the same time, we provided all employees with online network security courses. The courses focused on two themes: *Legal Shield: Exploring the Legal Framework and Defense of Network and Data Security* and *Telecom Fraud: Electronic Traps Hidden in the Virtual World*. These courses systematically explained the laws and regulations related to information protection and anti-fraud, including examples of seven common risk scenarios related to telecom fraud, and proposed targeted risk response methods from a practical perspective.

Part 6: Maintaining Supply Chain Stability and Exploring Green Procurement



The Group is well aware that in a complex and volatile market environment, the stable operation of the supply chain serves as the core pillar of corporate operations, while green procurement represents an important path to practicing sustainable development. The Group will continuously improve its supply chain management system, enhance the overall resilience of the supply chain, and actively explore green procurement models to balance environmental protection and social responsibility, driving the entire supply chain system towards a green, low-carbon, sustainable, and dynamic direction.

SUPPLY CHAIN MANAGEMENT SYSTEM

The Group's procurement activities not only include large transactions for network systems, electronic equipment, and engineering services but also specific demands for custom metal parts and electronic components. We value the long-term benefits of the full lifecycle of products and services, emphasizing suppliers' quality assurance capabilities, continuous, fast, and reliable supply capabilities, as well as subsequent service support. During the Reporting Period, the Group updated the *Supplier Management Measures*, laying a solid foundation for supplier management across various business lines.

The Group, in accordance with the *Supplier Management Measures*, implements a classification management system for suppliers, dividing them into eight categories: software development, hardware and software equipment procurement (general equipment), hardware and software equipment procurement (manufacturing/production), engineering construction, system integration/subcontracting, operation and maintenance services, material procurement, and intermediary services.

Before initiating cooperation with new suppliers, the Group must conduct an initial evaluation of the suppliers, which includes a qualification review and an on-site inspection of the suppliers. A *Supplier On-Site Inspection Report* is then issued, approved, and archived. The initial evaluation of suppliers involves the participation of the demand department, the main responsible procurement department, the finance department, and various supervising leaders. The evaluation comprehensively considers factors such as the supplier's reputation, financial status, and professional qualifications. Suppliers with good evaluation results will be included in the Group's 'Candidate Supplier Database' and, after passing the re-evaluation, will be incorporated into the Group's annual *Qualified Supplier Directory*.

The Group organizes an annual re-evaluation of suppliers, jointly assessing with relevant departments and subsidiaries. A *Supplier Re-evaluation Report* is issued and submitted to the Group's President's Office Meeting for approval, after which the annual *Qualified Supplier Directory* is published. The re-evaluation of suppliers primarily considers factors such as the cost-effectiveness of their products and services, delivery time, performance capability, and financial status. Additionally, sustainable development requirements are imposed on suppliers of special categories.

The Group has established a 'one-vote veto principle' for suppliers who exhibit serious negative behaviors such as bribery, fraud, improper means, disrupting procurement processes, refusing relevant inspections, non-performance, malicious complaints, or receiving criminal or administrative penalties from government authorities during initial evaluation, re-evaluation, or cooperation. Such suppliers will have their qualifications revoked and be listed as disqualified suppliers, with no further cooperation for three years.



Part 6: Maintaining Supply Chain Stability and Exploring Green Procurement

• IPIS

The IPIS Business follows systems such as the *Procurement Control Procedures*, *Supplier Management Manual*, and *Procurement Bidding Management Regulations* to carry out the procurement of components and electronic parts and the management of suppliers. This business continuously adjusts its management approach, flexibly adding significantly relevant assessment dimensions based on the control of incoming inspection and the pass rate of finished products. It tests the resilience of the industrial chain from a risk perspective and formulates quality assurance agreements with stronger applicability, constraints, and protection according to supplier categories. Based on the characteristics of supply, the business conducts performance assessments at different frequencies such as monthly, semi-annually, and annually for suppliers of different types and grades. Appropriate control measures are taken according to the assessment results, and dedicated personnel are assigned to follow up on progress and supervise rectification.

For operation and maintenance outsourcing service suppliers, the IPIS business requires them to have ITSS system certification and incorporate a service quality assurance agreement in the partnership to regulate the quality standards of on-site services. The IPIS business further optimized the supplier management platform during the year.

Establish Complete Supplier Profile	The supplier management system established a complete supplier profile, including basic supplier information, product quality, price, and other related data. At the same time, it can evaluate suppliers based on their performance, allowing for more accurate decision-making when selecting suppliers.
Strengthen Supplier Collaborative Management	The supplier management system can achieve information sharing and collaborative management with suppliers, thereby improving the efficiency of supplier management. The current supplier management system provides real-time information on purchase orders and allows for the immediate download of equipment drawings, achieving transparency in supply information while simultaneously monitoring supplier delivery conditions in real-time.
Improve Procurement Efficiency	Through the supplier management system, procurement needs are published, and inquiry and quotation data are integrated and analyzed to effectively control the inquiry and quotation process, thereby improving procurement efficiency.

Table: Optimization Contents of the Supplier Management Platform



Part 6: Maintaining Supply Chain Stability and Exploring Green Procurement

• DIS

The DIS business selects, evaluates, and eliminates project-type suppliers based on systems such as the *Procurement Management Measures*, *Procurement Management Regulations*, and *Procurement Compliance Management Measures*. It operates a digital procurement trading platform and conducts tendering through methods like inquiry and quotation, maintaining the standardization and fairness of the procurement process while enhancing the accuracy and effectiveness of understanding supplier information in tendering and procurement work. The Group, when implementing project plans, needs to procure technologically mature communication systems, networks, and storage equipment. During the process of equipment evaluation and selection, we establish risk prevention procedures, requiring suppliers to ensure compliance with equipment standards, agreed functions and technical specifications, and the legality and compliance of goods labeling; we require distributors to obtain project authorization for original equipment to ensure supply from legitimate channels and the effective implementation of quality assurance services during subsequent operations.

• IIS

The IIS business strictly implements the Group's *Supplier Management Measures*, classifying suppliers based on business involvement, fully adhering to the Group's procurement requirements, initial and re-evaluation processes, and enforcing a 'one-vote veto principle' for suppliers who breach negative behavior standards.

SUPPLY CHAIN DISTRIBUTION

The Group conducts an annual re-evaluation of suppliers based on qualifications, financial status, and cooperation performance. The *Supplier Re-evaluation Report* is reviewed by the Group's President's Office Meeting, resulting in the formation of a new *Qualified Supplier Directory*. In 2024, a total of 438 qualified suppliers participated in the annual review process, and all 438 were evaluated as qualified suppliers. By the end of 2024, the Group had business dealings with 586 suppliers, with 298 new suppliers added during the year.

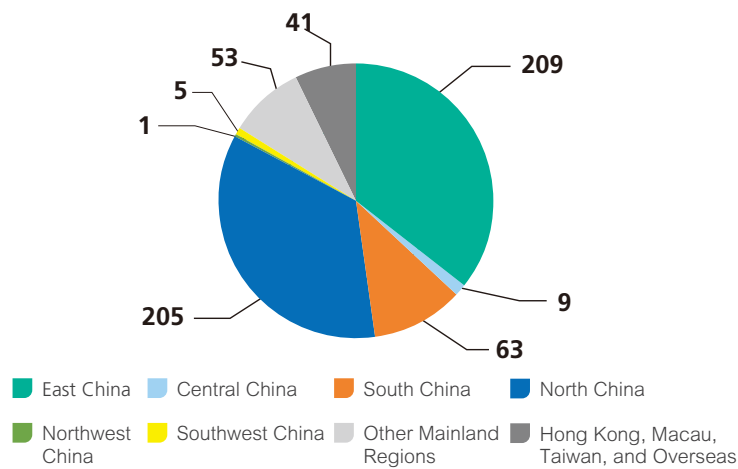


Figure: Overview of Supplier Geographical Distribution



Part 6: Maintaining Supply Chain Stability and Exploring Green Procurement

PRACTICING GREEN PROCUREMENT

The Group places great importance on risk and sustainability issues within the supply chain and is gradually exploring practical and effective monitoring methods for supply chain ESG risks. We follow procedures that require bidding units to make integrity commitments in the bidding documents, and other contracting parties to sign integrity agreements when signing contracts.

We focus on the sustainable development strategies of suppliers and incorporate them into supplier selection requirements, adding sustainability-related assessments for special category suppliers.

Equipment Suppliers	<ul style="list-style-type: none">• The equipment they provide features energy consumption labels and advantages of energy-saving, low-carbon, and environmental protection.
Service Suppliers	<ul style="list-style-type: none">• Equip service personnel with safety protective gear and labor protection supplies;• Sign labor contracts with service personnel in accordance with laws and regulations, pay wages in full, and fully contribute to social security;• Provide occupational health and safety education to service personnel to ensure they have awareness of occupational health and safety.
Engineering Construction Suppliers	<ul style="list-style-type: none">• Ensure safe and civilized construction and assume environmental protection responsibilities, implementing safe production and green construction;• Comply with regulations regarding air pollution and green construction;• Implement the dust control plan formulated by local administrative authorities;• Properly handle and recycle waste materials and construction debris generated during the construction process;• Use construction machinery and materials that meet safety and environmental protection requirements.

Table: Sustainability-related Requirements for Special Category Suppliers

Part 7: Strictly Adhere to Safety Production Standards and Emphasize Talent System Development



The Group is well aware of the importance of safeguarding asset and personnel safety. In the process of constructing and maintaining urban infrastructure and serving public transportation, we firmly establish the awareness of ‘safety first, prevention foremost, comprehensive management,’ adhere to the standard of safety production, and implement corporate safety production responsibilities. At the same time, we adhere to a people-oriented philosophy, respecting and caring for employees while ensuring a smooth chain of talent selection, development, management, and utilization, maintaining team vitality and cohesion.

DEVELOPMENT OF SAFETY PRODUCTION SYSTEM

Safety Production Control Mechanism

The Group strictly complies with China’s *Production Safety Law of the PRC*, *Law of the PRC on the Prevention and Control of Occupational Diseases*, *Trade Union Law of the PRC*, *Emergency Response Law of the PRC*, *Flood Control Law of the PRC*, *Beijing Flood Control Emergency Plan*, *Beijing Unit Fire Safety Main Responsibility Regulations*, and other production safety-related laws and regulations. The Group’s safety production control mechanism has comprehensively covered all departments and subsidiaries. The Group actively organizes safety education and training, conducts risk and hazard inspections, ensures the effectiveness of safety production management, supervision, and inspection, and continuously optimizes emergency plans and reporting mechanisms to fully improve process control, striving to ensure the effective operation of the safety production control mechanism.

The Group has established a Group-wide Safety Production Committee (the ‘Safety Committee’) in accordance with the *Production Safety Management Regulations*, serving as the organizational leadership body for the Group’s safety production work. The Safety Committee is composed of the Group’s leadership, department heads, and key personnel from subsidiaries. Its main responsibilities include implementing and conveying major decisions and arrangements related to safety production work, receiving reports on safety production work, analyzing the safety production situation, researching and deploying safety production work, reviewing major matters related to safety production, coordinating and resolving major safety production issues, organizing, guiding, supervising, and coordinating the safety production work of various units, and recommending recognitions for units and individuals who achieve excellent performance in safety production work. The Group holds a Safety Committee meeting every quarter to report updates on laws and regulations, implement safety supervision and inspections, arrange safety risk identification and hazard investigation drills, and share accident cases. This is to better implement and enforce the safety production responsibilities system and accountability.

Part 7: Strictly Adhere to Safety Production Standards and Emphasize Talent System Development

Education and Training	Work Safety Education and Training System
Control and Investigation	Graded Safety Risk Control and Danger Detection and Management System
Production Process	Production Safety Responsibility System, Production Safety Management Regulations, Production Safety Management System for Construction Projects, Safety Management System for Special Operation Staff, Protective Equipment Deployment and Management System, Hazardous Work Management System, Safety Management System for Relevant Partners and Contractors, Production Safety Accident Reporting, Investigation and Handling System, Management System for Fire Production Safety, and Expense Control System for Production Safety
Supervision and Inspection	Supervision and Inspection System for Production Safety
Emergency Handling	Incident Contingency Plan and Dual Reporting System of Risk Management for Potential Major Safety Accidents

Table: Full-Process Control System for Safety Production

At the beginning of 2024, the Group set safety production management goals, focusing on six areas: fatal/serious injury accidents, safety liability accidents, fire accidents, occupational disease hazards, environmental pollution incidents, and rectification of safety accident hazards. We are working solidly to further strengthen the understanding that 'safety production work is the responsibility of all employees.' We adhere to implementing the 'first person responsible' and the 'one-vote veto system' for safety production, and actively take actions such as special safety production rectifications to reduce safety risks.

During the year, the Group comprehensively organized various forms of emergency drills in accordance with the emergency plan, completing a total of 185 emergency drills. It organized 11 online and offline safety production education and training sessions, conducted 31 on-site safety inspections, issued 11 *Safety Hazard Rectification Notices*, identified 19 safety hazards and risk reminders, and all relevant units completed rectifications as required.

Risk Assessment and Contingency Plan

The Group defines safety risks in the *Graded Safety Risk Control and Danger Detection and Management System*, and clarifies the main aspects of risk assessment, including determining risk levels through risk investigation and analysis, formulating specific risk control measures, and regularly updating risk dynamics. Based on risk assessment, the Group arranges safety inspections at all levels, formulates contingency plans, and establishes a 'Safety Production Month' to focus on safety production supervision and inspection work, achieving prevention through proactive measures.

Part 7: Strictly Adhere to Safety Production Standards and Emphasize Talent System Development



In addition, the Group actively organizes safety production education and training sessions covering multiple topics, including project safety management, safety production education for new employees, accident case analysis, safety technical specifications, safety production responsibility system, fire safety knowledge, and electrical safety knowledge.

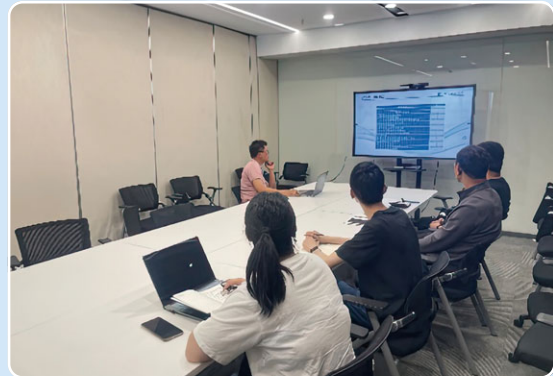


Figure: Safety Production Education and Training Site



Figure: Fire Emergency Training and Drills Site

During the Reporting Period, the Group organized the 'Ankang Cup' competition, conducting a series of activities such as snap safety hazard photo contest, rational safety production suggestions, and 'Prevent Before It Happens' online quiz. We collected 19 rational safety production suggestions and 27 snap safety hazards' entries, making the 'Ankang Cup' a powerful driver for promoting safety production, effectively enhancing the effectiveness and engagement of safety education.



Part 7: Strictly Adhere to Safety Production Standards and Emphasize Talent System Development

Annual Inspection and Evaluation

In 2024, the Group conducted an annual safety production evaluation based on the actual safety production conditions of its subsidiaries, divided into 2 categories: projects under construction and production manufacturing sites.

Category	Evaluation Indicators
Projects Under Construction	<ul style="list-style-type: none">• Achievement of Safety Production Targets• Implementation of Safety Production Responsibilities• Safety Production Emergency Management• Safety Education and Training• Construction of a Dual Prevention Mechanism for Safety Risk Grading Control and Hidden Hazard Investigation and Management• Stakeholder Management• Safety Production Monthly Report Management
Production Manufacturing Sites	<ul style="list-style-type: none">• Achievement of Safety Production Targets• Implementation of Safety Production Responsibilities• Safety Production Emergency Management• Safety Education, Training, and Regular Meeting Management• Construction of a Dual Prevention Mechanism for Safety Risk Grading Control and Hidden Hazard Investigation and Management• Safety Inspection Rectification

Table: Annual Safety Production Evaluation Indicators

In 2024, all safety production targets of the Group met the expected standards, including safety responsibility incidents, fatal/serious injury incidents, fire incidents, related-party safety responsibility incidents, occupational disease hazard incidents, environmental pollution incidents, and rectification of safety incident hazards. In the past three years (2022-2024), the Group has not experienced any work-related injuries or fatalities, and there were no lost workdays due to work injuries during the Reporting Period.

FULFILLMENT OF EMPLOYER RESPONSIBILITIES

We deeply understand that employees are the cornerstone of serving customers and achieving business development. Therefore, we are committed to providing all employees with a good working environment, salary benefits, incentive mechanisms, and growth opportunities.

Part 7: Strictly Adhere to Safety Production Standards and Emphasize Talent System Development



Employment

The Group adheres to the principles of openness, fairness, impartiality, reasonableness, and merit-based selection. We recruit and employ staff based on the qualification and skill standards required for the position, ensuring that recruitment is not influenced by non-work-related factors such as the candidate's gender, ethnicity, religion, marital status, or age. The Group has established a series of employee management regulations, including but not limited to the *Personnel Recruitment and Allocation Management Measures*, *Labor Personnel Management Measures*, *Measures for Administration of Employee Performance, Attendance and Leave Management Measures*, and *Employee Code of Conduct*, continuously improving and optimizing the employee management system.

The Group strictly complies with the applicable laws and regulations of all countries and regions where we operate, including Mainland China, Hong Kong, and India. We recruit and employ full-time/part-time/contract employees in accordance with the law, prohibit the employment of child labor or any form of forced labor, and require all new employees to provide valid identification documents for verification. If any violations are discovered, we will immediately handle them in accordance with relevant regulations. We encourage employee referrals and internal competition, enhancing internal mobility while supplementing talent from outside, providing employees with opportunities for promotion or job transfer, expanding professional experience, and strengthening overall organizational collaboration. During the Reporting Period, the Group did not experience any incidents related to child labor or forced labor.

As of 31 December 2024, the Group had a total of 623 full-time employees, along with 186 interns and labor dispatch personnel. The average turnover rate of full-time employees was 9.95%, reduced from 12.21% in 2023.

Number of employees by gender	
Male	456
Female	167
Number of employees by age group	
29 and below	78
30 to 49	505
50 and above	40
Number of employees by job level	
Management	6
Middle level	34
Employees	583
Number of employees by region	
Mainland China	602
Hong Kong, China	21

Table: 2024 Distribution of Full-time Employees by Category

Part 7: Strictly Adhere to Safety Production Standards and Emphasize Talent System Development

Employee turnover rate by gender	
Male	11.62%
Female	5.39%
Employee turnover rate by age group	
29 and below	17.95%
30 to 49 years	8.91%
50 and above	7.50%
Employee turnover rate by region	
Mainland China	9.80%
Hong Kong, China	14.29%

Table: 2024 Full-time Employee Turnover Rate by Category

Salary

The Group establishes the salary system based on job responsibilities, work performance, and operational risks, adhering to the principles of 'Equal Pay for Equal Work' and emphasizing knowledge and skills. It is performance-oriented and links employee salaries to their responsibilities and risk prevention. We implement internal systems such as the *Salary Management Measures*, the *Measures for the Administration of Employee Performance*, the *Measures for the Administration of Appointment Removal and Assessment of Middle-Level Management*, and the *Measures for the Administration of Employee Rewards and Punishments*. The Group has established a union organization at the group level in Mainland China and has signed a collective contract with the union in accordance with the *Regulations on the Work of Enterprise Trade Union*, establishing labor standards and conditions such as remuneration, working hours and leave, labor safety, training, and insurance benefits.

Welfare and Rights

The Group strictly complies with labor-related laws and regulations in Mainland China, Hong Kong, and overseas. In addition to purchasing basic pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident fund for employees, we also provide supplementary medical insurance and are gradually improving the enterprise annuity plan. This creates a comprehensive 'six insurances and two funds' employee rights protection system, which has been widely recognized by employees.

We prioritize the physical and mental health of our employees by offering competitive vacation and paid annual leave arrangements, such as 15 days of paternity leave for male employees; 5 days of parental leave each year for employees with children under the age of three; and 10 days of caregiving leave each year for employees who are only children to take care of their parents, among others.

We encourage employees to actively participate in decision-making and respect their opinions and suggestions. The meeting reviewed 10 systems and methods related to the vital interests of employees, including the company's *Compensation and Benefits Management Regulations*, *Safety Production Management Regulations*, *2025-2027 Collective Agreement (Draft)*, *2025-2027 Special Collective Agreement for the Protection of Female Employees' Special Rights (Draft)*, and *Conference Resolution (Draft)*, promoting two-way communication between the Group and employees.

Part 7: Strictly Adhere to Safety Production Standards and Emphasize Talent System Development



The Group consciously organizes festive activities, provides support during extreme weather, birthday celebrations, and offers employees financial assistance and condolence gifts life events such as marriage, bereavement, illness, and pregnancy. The Group pays attention to employee needs by setting up facilities such as a staff home and a warm station in the office area, and regularly purchases tea, snacks, and common medicines to provide a comfortable and cozy working environment for employees. The Group encourages employees to actively participate in cultural and sports activities. During the Reporting Period, the Group organized employees to participate in the 'Beijing Investment Cup' table tennis and badminton competition, and organized a series of activities for the Spring Festival titled 'Dragon Soars to a New Chapter, Technology Creates the Future', the Goddess Day 'Blooming at Fingertips, Walking with Beauty', 'Red Carpet Show', and 'Garbage Sorting Starts with Me' activities. At the same time, the Group has established platforms for multiple interest activities such as table tennis, badminton, basketball, and soccer, and has signed agreements with gyms and swimming pools to provide benefits for employees. During the Reporting Period, the Group had over 1,200 participants in fitness activities.



Figure: 'Beijing Investment Cup' Table Tennis and Badminton Competition



Figure: Spring Festival 'Dragon Soars to a New Chapter, Technology Creates the Future' Series of Activities

Part 7: Strictly Adhere to Safety Production Standards and Emphasize Talent System Development



Figure: Goddess Day 'Blooming at Fingertips, Walking with Beauty' Activity



Figure: 'Garbage Sorting, Starting with Me' Activity

FOCUS ON EMPLOYEE GROWTH

The industry we are in is characterized by light assets and heavy talent, and the comprehensive skill expansion and continuous learning ability of employees are the main directions for us to guide and cultivate our employees. We value the growth and development of our employees by encouraging the enhancement of personal value through providing professional development opportunities. This organically combines corporate capabilities with personal development, not only winning stronger corporate cohesion but also laying a solid foundation for the development of a strong management team.

The Group has formulated a series of employee management systems, such as the *Position Level Management Measures*, to align the overall position level system more closely with market standards and industry benchmarks, providing guidance for the further development of the talent team. The Group adopts a dual-channel system of management and professional sequences, establishing 9 management sequence levels and 15 professional sequence levels. The professional sequence is further divided horizontally into seven major sequences: technology, product, investment, marketing, engineering, operations and maintenance, and functions. The Group further clarifies employee development directions through detailed division of functions and fully communicates with employees, enabling them to understand their future development paths more clearly and to plan their growth paths by combining their strengths and professional expertise.

Part 7: Strictly Adhere to Safety Production Standards and Emphasize Talent System Development



The Group implements the *Training Management Measures* and formulates annual training plans and budgets based on the characteristics and requirements of job positions. The Group maintains active collaboration with each subsidiary when formulating the annual training plan, collecting the training needs of frontline business teams and discussing them together, aiming to cultivate a workforce that is technically solid, high proficient in business, and full of vitality. We also provide corresponding rewards to employees who obtain qualification certificates in business-related fields such as economics, accounting, engineering, electromechanics, communication, and networking, thereby enhancing the company's soft power by assisting employees in their self-improvement.

We provide diverse training and learning opportunities to continuously enhance the skills and qualities of our employees, enabling them to realize their self-worth. We offer customized training for middle-level management backbones and 'Supernova Talents' with development potential, based on their capability enhancement needs during their growth process. Since 2020, we have launched a targeted training program for young talents, annually adding new members to the 'supernova talent' key cultivation pool, which now holds 30 reserve talents, with 10 new additions this year. We also implement the 'Shining Plan' for 'supernova talents', organizing activities such as quarterly salon sharing and promotion channel design to more effectively support the rapid growth of key talents.

In 2024, the Group organized approximately 55 professional training sessions through a combination of online and offline methods. These sessions covered various topics such as compliance, safety production, technology R&D, and project management. Professional training was also conducted by departments including R&D, finance, IT, procurement, quality control, and sales. The overall training participation rate reached 87.32%, with an average training duration of 24.33 hours per person.

Proportion of trained employees by gender	
Male	85.31%
Female	92.81%
Proportion of trained employees by job level	
Management	100.00%
Middle level	100.00%
Employees	86.45%
Average training hours per capita by gender	
Male	24.74
Female	23.21
Average training hours per capita by job level	
Management	94.46
Middle level	88.88
Employees	19.84

Table: 2024 Training Status of Full-time Employees by Category



Part 8: Building Green Development Together and Continuously Improving Energy Efficiency

As a deep participant in intelligent rail transit services, the Group has always incorporated the environmental and climate impacts in the rail transit scenario into its business strategies and major decisions. We pay close attention to the emissions and resource usage involved in the Group's business and operations, and set relevant targets in a timely manner to achieve environmentally friendly, long-term and sustainable development in the growth of the enterprise. At the same time, we closely follow the latest domestic and international standards, incorporate climate-related matters into the key areas of ESG governance, and ensure that enterprises have the compliance and management capabilities for the new regulations.

IDENTIFY ENVIRONMENTAL IMPACTS AND SET MANAGEMENT GOALS

Rail transit is an important component of urban operations and also a source of urban energy consumption. As the impacts of climate change become increasingly widespread, global sustainable development faces significant challenges. The role of the rail transit industry in building urban green travel systems and promoting urban sustainable development is becoming increasingly prominent.

The Group deeply understands the trends of intelligent and low-carbon urban rail transit, and thoroughly analyzes the characteristics of our business and the impact of our operational activities on the environment. We primarily focus on software development, solution integration, system deployment, and project implementation. Only the onboard PIS products of our IPIS business involve assembly production, while other business activities are conducted in an office environment. The primary energy consumption and emissions generated by the Group in production and operational activities come from office and production facilities. Therefore, we have set Scope 2 greenhouse gas (GHG) emission targets based on our business characteristics within the BIIT Sustainable Development Goals. Using 2021 as the baseline year, we aim to reduce the Group's electricity carbon emission intensity by 10% by 2025 and by 15% by 2030.

FOCUS ON RESOURCE USAGE AND IMPROVE ENERGY EFFICIENCY

The Group strictly complies with environmental protection-related laws and regulations, including the *Environmental Protection Law of the PRC*, the *Energy Conservation Law of the PRC*, the *Green Product Labeling Management Measures*, and the *Renewable Energy Law of the PRC*. Based on this, we have formulated corresponding internal systems and completed self-inspection and self-assessment by referring to the *Industrial Energy Conservation Supervision Measures* issued by the Ministry of Industry and Information Technology.

Part 8: Building Green Development Together and Continuously Improving Energy Efficiency



In terms of resource and energy consumption, the Group strictly manages its usage methods and approaches. A series of energy conservation and emission reduction measures have been deployed within the Group to implement the *Notice on the Energy Saving Initiative* and to promote it among employees, including but not limited to:

Fuel	<ul style="list-style-type: none"> • Control the frequency of Group vehicle usage • Plan to update the Group's fuel-powered vehicles to new energy vehicles and hybrid vehicles • Coordinate and planning the frequency and mode of business travel • Strive to conduct meetings in the form of online conferences with the Group's subsidiaries and partners • Encourage employees to use public transportation for commuting
Electricity	<ul style="list-style-type: none"> • Control the duration and brightness of office area lighting • Set up energy-saving and environmental protection signs • Set air conditioning temperature and usage duration • Plan the procurement and use of electrical equipment with national energy consumption labels • Regularly maintain electrical equipment • Encourage employees to turn off office area electrical facilities after work
Water	<ul style="list-style-type: none"> • Set up water-saving signs in office areas • Regular maintenance of water equipment • Encourage employees to conserve water in their daily work and life, avoiding waste and pollution
Paper	<ul style="list-style-type: none"> • Advocate for paperless office measures • Encourage employees to use double-sided printing to save paper
Packaging Materials	<ul style="list-style-type: none"> • Recycle bubble bags, cartons, PE bags, etc., generated in office areas and production bases, and reuse them in production lines and warehouse turnover scenarios to reduce the use of related consumables

Table: 2024 Energy Conservation and Emission Reduction Measures

The Group has production and R&D bases in three cities, among which the Suzhou Park has a laboratory for various key industry-related tests. The production activities at the production base primarily involve the assembly of structural components and electronic parts, software programming, and finished product testing. The main energy sources required are electricity and fuel for forklifts, with part of the electricity sourced from the distributed photovoltaic power generation equipment in the Suzhou Park. Our water consumption is for office use, connected through municipal water pipelines in various locations, thus we have not encountered any issues in obtaining applicable water sources.



Part 8: Building Green Development Together and Continuously Improving Energy Efficiency

In response to customer demands and to enhance our environmental management level, we have implemented the ISO14001:2015 environmental management system at our production base, promoting green management throughout the entire operational cycle from procurement, production, products and services to logistics. The Group's Suzhou production base is located in a park equipped with distributed photovoltaic power generation facilities, which are utilized by multiple tenants within the park. During the Reporting Period, the electricity generated for the Group's production base amounted to 408,000 kilowatt-hours, improving the Group's electricity consumption structure.

In terms of waste management, the Group strictly adheres to the established *Regulations on Management of Scrap and Waste*, ensuring the effective handling of waste and scrap at the production base and the waste generated in the office area is collectively disposed of by the property management. Regarding the disposal of printed circuit board (PCB) waste. We have issued a *Report on Change of Solid Waste Types* and, after filing with the local government's solid waste management center, we have developed a phased disposal plan based on actual production usage. This plan involves 'first safely storing centrally, then processing in batches,' meaning that once the stock stored in the compliant hazardous waste warehouse reaches one ton, it is handed over to a professional company qualified in hazardous waste treatment for centralized processing. During the storage period, we set up signs in accordance with the relevant provisions of the *Technical Specification for the Setting Identification Signs for Hazardous Wastes* to alert operators at the hazardous site to ensure production safety. At the same time, we will continue to monitor updates to the *National Hazardous Waste List* and strictly comply with relevant regulations.

During the Reporting Period, there was no significant difference in the use of vehicles fueled by gasoline by the Group compared to 2023; the use of forklifts fueled by diesel at the production base increased compared to 2023, due to a slight increase in usage frequency at the Suzhou production base. Direct GHG emissions have decreased compared to 2023 due to updates in the calculation coefficients. Due to the preliminary success of the Group's electricity-saving measures, electricity usage has decreased compared to 2023. The Group continues to use renewable energy to replace part of the traditional externally purchased electricity at the Suzhou base. However, due to updates in the calculation coefficients, indirect GHG emissions have increased compared to 2023. Air pollutants originate from the use of mobile source fuels. The Group's water resource usage has significantly increased compared to 2023 due to changes in some of the Group's office locations, resulting in higher water consumption from relocations. Additionally, water resource usage at some office locations is uniformly accounted for by the office building property management, and the statistical scope of the property management has been adjusted this year. The Group's non-hazardous waste emissions have significantly increased compared to 2023, due to changes in some of the Group's office locations, resulting in more non-hazardous waste from relocations.

Part 8: Building Green Development Together and Continuously Improving Energy Efficiency



During the Reporting Period, the Group's electricity carbon emission intensity decreased by 38% compared with 2021, achieving ahead of schedule the target of reducing electricity carbon intensity by 10% in 2025. The Group has set targets for water resource usage and non-hazardous waste emissions, continuously and consciously reducing water resource usage and non-hazardous waste emissions. We will continue to review the environmental targets, and timely release information disclosure and relevant adjustments reflecting the actual operation and development of the Group.

Environmental Indicators	Unit	2024	2023
Energy			
Gasoline	kwh	34,962	34,626
Diesel	kwh	5,849	3,836
Electricity	kwh	1,528,821	1,613,747
Total Energy Consumption	kwh	1,569,631	1,652,209
Energy Consumption Intensity	kwh/million HKD	947.40	1,008.98
GHG			
Direct GHG Emissions (Scope 1)	Tonnes of CO ₂ Equivalent	9.71	10.61
Indirect GHG Emissions (Scope 2)	Tonnes of CO ₂ Equivalent	703	638
Total GHG Emissions	Tonnes of CO ₂ Equivalent	713	649
GHG Emissions Intensity	Tonnes of CO ₂ Equivalent/million HKD	0.43	0.40
Air Emissions			
Nitrogen Oxides (NO _x)	g	2,330	2,041
Sulfur Oxides (SO ₂)	g	54	58
Particulate Matter (PM)	g	172	150
Water Resources			
Water Consumption	tonnes	10,869	7,264
Water Consumption Intensity	tonnes/million HKD	6.56	4.44
Hazardous Waste			
PCB Boards	tonnes	1.1	0.6
Non-Hazardous Waste			
General Production Waste	tonnes	15	2
Office and Domestic Waste	tonnes	304	196
Packaging Materials	tonnes	54	61
Waste Recycling	tonnes	28	2
Non-Hazardous Waste Intensity	tonnes/million HKD	0.21	0.16

Table: Overview of 2024 Environmental Indicators

Note:

Environmental indicator emission intensities are measured based on operating revenue;

Electricity consumption includes purchased electricity and photovoltaic power generation in the Suzhou Park;

The subcategories of packaging materials identified this year are cartons, EPE foam, and others.

Part 8: Building Green Development Together and Continuously Improving Energy Efficiency

MANAGING CLIMATE RISKS AND EXPLORING CLIMATE OPPORTUNITIES

Governance

To enhance the ability to address climate change, the Group has integrated climate change governance into the ESG governance system and established a climate change response mechanism led by the Board, supervised by the ESG Committee, spearheaded by the ESG Working Group, and coordinated by other relevant departments. The Group, with reference to the TCFD disclosure methods and recommendations, has systematically organized the management direction for addressing climate change. It has established short-term, medium-term, and long-term management strategies and action initiatives for climate change, formulating targeted response measures accordingly.

Strategy

This year, the Group reviewed and examined the results of climate risk identification and related response initiatives. In the future, the Group will continue to focus on climate change issues and the allocation of related resources, further optimizing the management level related to climate change.

Risk Type		Risk Description	Time Dimension	Response Measures	Financial Impact
Physical Risk	Acute	Power and water outages caused by natural disasters or extreme weather events such as typhoons, floods, and droughts, leading to disruptions in daily operations	Short-term	<ul style="list-style-type: none"> Closely monitor weather conditions and send early warning information to local employees, project departments, and data centers in advance of extreme weather 	<ul style="list-style-type: none"> The operation sites and facilities are affected, leading to increased operational and maintenance costs for the Group
	Chronic	Changes in regional climate caused by rising average temperatures and sea levels may damage office and data infrastructure	Long-term	<ul style="list-style-type: none"> Regularly inspect the data center environment to check for safety issues related to wind, water, and electricity, and promptly eliminate potential hazards Utilize cloud servers to store and back up data information, and regularly verify their functionality Develop targeted emergency plans based on the sudden climate characteristics of different operating regions Conduct forward-looking risk identification and assessment of chronic climate risks, incorporating them into considerations for office site selection 	

Part 8: Building Green Development Together and Continuously Improving Energy Efficiency



Risk Type		Risk Description	Time Dimension	Response Measures	Financial Impact
Transition Risk	Policies and Laws	Increased regulatory requirements for existing products and services Stricter carbon emission disclosure and regulatory requirements	Short-term Medium to long term	<ul style="list-style-type: none"> Enhance communication and interaction with regulatory authorities and institutions, promptly understand and strictly comply with changes in relevant regulatory laws and regulations to ensure product and service compliance Continuously monitor national regulations and policy developments related to climate change Continue to promote energy-saving and consumption-reducing measures to lower GHG emissions 	<ul style="list-style-type: none"> Increasingly stringent regulatory requirements lead to higher information disclosure costs for the Group
	Technology	Increased requirements for the green transformation of products and services	Medium term	<ul style="list-style-type: none"> Timely understanding of government incentive policies for green transformation products Timely understanding of customer demands for green transformation products and services Continuously integrate the concept of energy conservation and emission reduction into product planning, and enhance existing products and services with optimized features for recording environmental data and promoting environmental awareness 	<ul style="list-style-type: none"> The highlighted requirements for the green transformation of products and services have led to increased R&D costs, product optimization costs, and promotional costs for the Group

Part 8: Building Green Development Together and Continuously Improving Energy Efficiency

Risk Type	Risk Description	Time Dimension	Response Measures	Financial Impact
Market	The market's awareness of climate change is continuously strengthening, and customer behavior preferences are shifting towards purchasing products and services with green and environmentally friendly attributes.	Long-term	<ul style="list-style-type: none"> Track customer behavior preferences in real-time and timely increase efforts in developing green transition products and services Strengthen the promotion and management of energy conservation and emission reduction 	<ul style="list-style-type: none"> Changes in market preferences have led to increased R&D costs and promotional expenses for the Group.
	The value of resources such as electricity, fuel, and water fluctuates with the impact of climate change	Short-term	<ul style="list-style-type: none"> Prioritize the use of energy-saving equipment to reduce unnecessary energy consumption 	<ul style="list-style-type: none"> The fluctuation in resource value may lead to an increase in the Group's resource procurement costs
Reputation	Users' emphasis on corporate social responsibility	Long-term	<ul style="list-style-type: none"> Focus on sustainable development and climate change-related disclosure requirements, optimizing external communication channels for corporate social responsibility while ensuring compliance Actively fulfill corporate social responsibility to further enhance brand image Actively conduct climate risk identification work and proactively disclose measures and achievements in response to climate change 	<ul style="list-style-type: none"> Enterprises need to fulfill social responsibilities and engage in environmental protection initiatives, leading to increased social, governance, and environmental investments by the Group
	Poor performance and negative news regarding environmental protection and climate change may impact the Group's reputation	Long-term		

Table: 2024 Climate Change Risk Identification Results

Part 8: Building Green Development Together and Continuously Improving Energy Efficiency



The Group is acutely aware that while climate change presents risks, it also promotes the development of concepts such as low-carbon and green development, providing opportunities for corporate transformation and sustainable development.

Type of Opportunity	Opportunity Description	Response Method
Market	The increasing demand from society for green travel using public transportation and the significant potential of the overseas rail transit market provide opportunities for the development prospects and cooperative resources of the Group's solutions	<ul style="list-style-type: none"> Focus on overseas market demand, leveraging rich project experience and strong professional capabilities to provide tailored solutions for clients, assisting in the improvement and optimization of local rail transit systems
Resource Use Efficiency	By adopting more efficient operational methods, improve resource use efficiency, reduce GHG, pollutant, and waste emissions, practice sustainable development and circular economy, and lower the company's medium to long-term operational costs	<ul style="list-style-type: none"> Explore and enhance operational efficiency and clean energy usage rate, reducing emissions generated during operations Promote the recycling of water resources
Products and Services	Enhance market competitiveness through green transformation products and the green transformation functions of existing products	<ul style="list-style-type: none"> Understand customer demand for green transformation products and services, integrate green and low-carbon concepts into rail transit scenarios, develop green transformation products and services, and upgrade existing products for green transformation
Climate Adaptability	Implement process optimization and other low-carbon transition measures to enhance corporate resilience and overall risk resistance capabilities	<ul style="list-style-type: none"> Consciously engage in industry cooperation and communication to jointly explore green and low-carbon development paths for the industry Develop a sustainable supply chain system and strengthen the management of suppliers' ESG matters

Table: 2024 Climate Change Opportunity Identification Results

Risk Management

The Group comprehensively identifies potential risks faced by the Group in its annual risk monitoring and management work, formulates risk prevention measures and response plans, and the management regularly reports risk management and control-related content to the Board, seeking their opinions and guidance.

Metrics and Targets

The Group has established the BIIT Sustainable Development Goals and reviews their progress. In the future, we will summarize the outcomes of the targets at appropriate stages and update the Sustainable Development Goals to align with the evolving nature of our business development.



Part 9: Fulfilling Social Responsibility and Conveying the Concept of Public Welfare

Promoting social welfare is deeply embedded in the values of the Group and serves as a fundamental mission call in both our business activities and employee development. We continuously safeguard the convenience and safety of public commuting and travel by empowering rail transit operations and public infrastructure construction. We are committed to supporting the resilient development of modern cities in China and internationally through intelligent technology. At the same time, the Group consistently supports social welfare and rural revitalization, actively organizing employee volunteers to participate in community services. The Group has established the *External Donation Management Measures* to coordinate social investment at the group level, promoting the effective fulfillment and implementation of corporate social responsibility.

FACILITATING INDUSTRY EXPANSION OVERSEAS

The Group is committed to enhancing rail transit operations and public infrastructure construction to provide convenience and safety for public transport. We are deeply rooted in the Chinese market and actively participate in the infrastructure development of other developing economies, jointly promoting the achievement of the SDGs.

We will continue to monitor projects such as Bangalore Line 6, Mumbai Lines 4, 5, and 6, Chennai Phase II, and Bhubaneswar in India, strengthening the localization delivery capability of Indian projects and enhancing after-sales service capabilities. We continuously track projects in Malaysia, Indonesia, Singapore, and explore vehicle-land integration business, as well as projects such as the Saudi Arabia, Israel Red Line, and Dubai Blue Line, continue to promote the construction of localized delivery capabilities, and appropriately expand into the North and South American markets such as Mexico and Brazil. We also continue to deepen cooperation with international car manufacturers, gain more international project opportunities through vehicle factories, expand customer base in regions such as Japan and Southeast Asia, support industry expansion overseas, and leverage China's strength.

SUPPORT RURAL REVITALIZATION

The Group upholds the 'Cornerstone Spirit', earnestly fulfilling the political and social responsibilities of a state-owned enterprise, actively participating in rural revitalization and paired assistance work, contributing to the rural revitalization efforts in Beijing.

This year, the Group participated in the assistance work in Dakailing Village, Gaoling Town, Miyun District. Together with the Party Committee of Gaoling Town, the Party Branch of Dakailing Village, and the Party Committee of the School of Government at the University of International Business and Economics, a signing ceremony for a four-party party-building partnership agreement was held at the Gaoling Town Party-Mass Service Center. The theme was 'Party Building Leads Development, Joint Efforts for Synergy', focusing on grassroots party organization construction, village collective economic development, rural governance, and practical matters for the people, with discussions and exchanges conducted in these areas.

Part 9: Fulfilling Social Responsibility and Conveying the Concept of Public Welfare



In response to the actual situation of Dakailing Village, four parties have formulated five assistance measures in four areas:

Grassroots Party Building	<ul style="list-style-type: none"> Joint creation and co-construction, collective participation in organizational activities, etc.
Collective Economy	<ul style="list-style-type: none"> The University of International Business and Economics has designated Dakailing Village as a practical education base for higher education institutions Enterprises and university unions purchase agricultural and sideline products during festivals and events
Village Governance	<ul style="list-style-type: none"> Smart village construction, technology courtyard construction, etc., dispatching professional teams to Dakailing Village to inspect safety monitoring systems and smart fire and flood prevention implementation paths
Serving the People	<ul style="list-style-type: none"> Providing support to the elderly living alone and other disadvantaged groups through various means

Table: Overview of Support Aspects and Measures

The Group actively coordinates resources within the system, leveraging the professional advantages of a technology-based enterprise, closely aligning with the actual needs of town and village development, continuously increasing support efforts, assisting in the construction of smart villages, and making tangible contributions to the rural revitalization work in the towns and villages where the first secretary is stationed.

After the signing ceremony, the Group donated laptops to the Party branch of Dakaoling Village, which expressed gratitude to the Group and presented a banner as a token of appreciation.



Figure: 'Party Building Leads to Development, Joint Construction for Synergy' Four-Party Joint Construction Activity and Donation Signing Ceremony



Part 9: Fulfilling Social Responsibility and Conveying the Concept of Public Welfare

SAFEGUARDING BASIC EDUCATION

The Group deeply understands the significant importance of basic education and actively safeguards the cause of basic education. Since 2018, the Group has been providing targeted assistance for seven consecutive years to Zhenningbao Central Primary School in Chicheng County, a remote area in Zhangjiakou. By understanding the actual situation of Zhenningbao Central Primary School and leveraging the Group's technological attributes, we have carried out support for technology teaching equipment and courses. We have successively donated teaching integrated machines, solar street lights, laptops, printers, flagpoles, podiums, and other teaching equipment to the school. We have also carefully planned and conducted various forms of support activities such as 'Happy Summer Vacation', 'Health Protection', and 'Warm Winter Friendship'.

The Group has specifically established an off-campus counselor mechanism, selecting outstanding employees to conduct 'Love Classroom' activities at schools. These activities guide children to establish values of diligent learning and creative exploration, cultivate good character and habits, and encourage them to learn and inherit excellent traditional Chinese culture.

In order to further establish a school-enterprise support mechanism, maintain long-term attention to students' mental health, learning, and life, assist students in completing their studies, and help them set lofty ideals, the Group has expanded its approach and actively innovated by signing the *Eagle Wings Love and Watch Plan* with schools. Four single-parent left-behind children were carefully selected as 'one-on-one' support targets, and the paired four corporate 'watchers' exchanged contact information with the students and maintained close contact.

Appendix I: Major Relevant Laws and Regulations to be Complied with by the Group's Business Activities



Major Laws and Regulations to be Followed	
Environment	<p>Mainland China:</p> <ul style="list-style-type: none"> • Environmental Protection Law of the PRC • Environmental Impact Assessment Law of the PRC • Air Pollution Prevention and Control Law of the PRC • Water Pollution Prevention and Control Law of the PRC • Measures for the Administration of Pollutant Discharge Permits (Trial) • Solid Waste Pollution Prevention and Control Law of the PRC • Regulations on the Administration of Pollutant Discharge Permits • Measures for the Administration of Hazardous Waste Transfer • Measures for the Administration of Hazardous Waste Operation Permits • Energy Conservation Law of the PRC • Cleaner Production Promotion Law of the PRC • Electricity Law of the PRC • Measures for the Administration of Electricity Conservation • Water Law of the PRC • General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589) • Noise Pollution Prevention and Control Law of the PRC • Regulations on Water Conservation
	<p>Mainland China:</p> <ul style="list-style-type: none"> • Labor Law of the PRC • Labor Contract Law of the PRC • Regulations on the Implementation of the Labor Contract Law of the PRC • Regulations of the State Council on Working Hours of Employees • Regulations on Paid Annual Leave for Employees • Measures for the Implementation of Paid Annual Leave for Enterprise Employees • Implementation Plan of Jiangsu Province on Optimizing Fertility Policies to Promote Long-term Balanced Population Development • Regulations on Minimum Wage • Interim Provisions on Wage Payment • Trade Union Law of the PRC • Social Insurance Law of the PRC • Interim Regulations on the Collection of Social Insurance Premiums • Regulations on the Administration of Housing Provident Fund • Regulations on Work-Related Injury Insurance • Regulations on Unemployment Insurance • Interim Provisions on Labor Dispatch • Notice on Further Standardizing Issues Related to Work-Related Injury Insurance for Labor Dispatch Units (Henan Province) • Special Provisions on Labor Protection for Female Employees • Regulations on the Administration of Employment of Foreigners in China • Interim Measures for Foreigners Employed in China to Participate in Social Insurance • Regulations on Medical Periods for Enterprise Employees Suffering from Illness or Non-Work-Related Injuries <p>Hong Kong, China:</p> <ul style="list-style-type: none"> • Employment Ordinance • Minimum Wage Ordinance • Employees' Compensation Ordinance

Appendix I: Major Relevant Laws and Regulations to be Complied with by the Group's Business Activities

Major Laws and Regulations to be Followed	
Work Environment and Occupational Health Management	Mainland China:
	• Production Safety Law of the PRC
	• Labor Law of the PRC
	• Fire Protection Law of the PRC
	• Administrative Measures for Production Safety Training
	• Regulations on the Administration of Production Safety Licenses
	• Regulations on Reporting, Investigation, and Handling of Production Safety Accidents
	• Beijing Production Safety Regulations
	• Regulations on the Main Responsibility for Work Safety of Production and Business Units in Beijing
	• Regulations on the Five Implementations and Five Achievements of the Enterprise Work Safety Responsibility System
	• Regulations on Safety Training for Production and Business Units
	• Measures for the Administration of Emergency Plans for Production Safety Accidents
	• Interim Provisions on the Investigation and Management of Hidden Dangers of Work Safety Accidents
	• Regulations on the Administration of Work Safety in Construction Projects
	• Measures for the Supervision and Administration of the 'Three Simultaneities' of Safety Facilities in Construction Projects
	• Regulations on Emergency Response to Work Safety Accidents
	• Law of the PRC on the Prevention and Control of Occupational Diseases
	• Regulations on the Supervision and Management of Occupational Disease Prevention Facilities in Construction Projects 'Three Simultaneities'
	• Management Specification for Regular Testing of Occupational Disease Hazard Factors in Employers
	• Management Specification for Labor Protection Articles in Employers
	• Regulations on Occupational Health Management in Workplaces (National Health Commission Order No. 5 of 2021)
	• Guidelines for the Preparation of Emergency Response Plans for Production and Business Operation Units' Safety Production Accidents (GB/T 29639-2020)
	• Procedures and Requirements for Security Engineering (GAT 75-1994)
	Hong Kong, China:
	• Occupational Safety and Health Ordinance



Appendix I: Major Relevant Laws and Regulations to be Complied with by the Group's Business Activities

Major Laws and Regulations to be Followed	
Prevention of Child Labor and Forced Labor	<p>Mainland China:</p> <ul style="list-style-type: none"> • Labor Contract Law of the PRC • Law of the PRC on the Protection of Minors • Civil Code of the PRC • Provisions on the Prohibition of Using Child Labor • Criminal Law of the PRC • Measures for One-time Compensation for Casualties of Illegal Employment Units <p>Hong Kong, China:</p> <ul style="list-style-type: none"> • Employment of Children Regulations
	<p>Mainland China:</p> <ul style="list-style-type: none"> • Patent Law of the PRC • Trademark Law of the PRC • Regulations for the Implementation of the Trademark Law of the PRC • Copyright Law of the PRC • Regulations for the Implementation of the Copyright Law of the PRC • Cybersecurity Law of the PRC • Regulations on the Security Protection of Computer Information Systems of the PRC • Measures for the Administration of the Graded Protection of Information Security • Regulations on the Security Protection of Critical Information Infrastructure (State Council Order No. 745) • Opinions on Further Strengthening the Planning and Construction Management of Urban Rail Transit (State Council General Office Document [2018] No. 52) • Outline of the Digital Transportation Development Plan • Outline of the Plan for Building a Strong Transportation Country • Outline of the National Comprehensive Three-dimensional Transportation Network Plan • Opinions on Accelerating the Construction of a Strong Transportation Country Driven by Technological Innovation • Assessment and Evaluation Standards for the Green Travel Creation Action • Action Plan for the Construction of New Infrastructure in the Field of Transportation (2021-2025) • Guiding Opinions on Accelerating the Development of New Energy Storage • Opinions on Fully and Accurately Implementing the New Development Concept to Achieve Carbon Peak and Carbon Neutrality • Opinions on Promoting Green Development in Urban and Rural Construction • Action Plan for Peaking Carbon Emissions Before 2030 • White Paper on China's Policies and Actions for Addressing Climate Change • Implementation Plan for Promoting the 'Cloud Adoption, Data Utilization, and Intelligence Empowerment' Action to Cultivate New Economic Development • Three-Year Action Plan for the Development of New Data Centers • Three-Year Action Plan for the Construction of New Infrastructure for the Internet of Things (2021-2023)

Appendix I: Major Relevant Laws and Regulations to be Complied with by the Group's Business Activities

Major Laws and Regulations to be Followed	
Anti-Corruption	<p>Mainland China:</p> <ul style="list-style-type: none"> • Anti-Unfair Competition Law of the PRC • Anti-Money Laundering Law of the PRC • Supervision Law of the PRC • Interim Provisions on Prohibiting Commercial Bribery by the State Administration for Industry and Commerce • Interpretation by the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in Handling Criminal Cases of Embezzlement and Bribery • Interim Provisions on Prohibiting Commercial Bribery • Fair Competition Review Regulations <p>Hong Kong, China:</p> <ul style="list-style-type: none"> • Prevention of Bribery Ordinance
	<p>Mainland China:</p> <ul style="list-style-type: none"> • Patent Law of the PRC • Trademark Law of the PRC • Regulations for the Implementation of the Trademark Law of the PRC • Copyright Law of the PRC • Regulations for the Implementation of the Copyright Law of the PRC • Regulations on National Science and Technology Awards • Beijing Science and Technology Award Measures • China Patent Award Evaluation Measures • Beijing Invention Patent Award Measures
Intellectual Property Protection	

Appendix II: Index of The Stock Exchange of Hong Kong's Environmental, Social and Governance Reporting Guide



Major Categories, Aspects, General Disclosures, and Key Performance Indicators	Description	Corresponding Sections/ Statements
Aspect A1: Emissions		
General Disclosure	Regarding emissions of air and greenhouse gases, discharges into water and land, and the generation of hazardous and non-hazardous waste: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part 8
Key Performance Indicator A1.1	Types of emissions and related emission data.	Part 8
Key Performance Indicator A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (measured in tons) and, if applicable, intensity (such as per unit of production, per facility).	Part 8
Key Performance Indicator A1.3	Total hazardous waste produced (measured in tons) and, if applicable, intensity (such as per unit of production, per facility).	Part 8
Key Performance Indicator A1.4	Total amount of non-hazardous waste produced (measured in tons) and (if applicable) its intensity (e.g., per unit of production, per facility).	Part 8
Key Performance Indicator A1.5	Describe the emission targets set and the steps taken to achieve these targets.	Part 8
Key Performance Indicator A1.6	Describe the methods for handling hazardous and non-hazardous waste, and outline the waste reduction targets set and the steps taken to achieve these targets.	Part 8

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Major Categories, Aspects, General Disclosures, and Key Performance Indicators	Description	Corresponding Sections/ Statements
Aspect A2: Resource Use		
General Disclosure	Policies for the efficient use of resources (including energy, water, and other raw materials).	Part 8
Key Performance Indicator A2.1	Total direct and/or indirect energy consumption (such as electricity, gas, or oil) by type (calculated in thousands of kilowatt-hours) and intensity (e.g., per unit of production, per facility).	Part 8
Key Performance Indicator A2.2	Total water consumption and intensity (e.g., per unit of production, per facility).	Part 8
Key Performance Indicator A2.3	Description of the energy efficiency targets set and the steps taken to achieve these targets.	Part 8
Key Performance Indicator A2.4	Describe any issues in sourcing applicable water resources, as well as the water efficiency targets set and the steps taken to achieve these targets.	Part 8
Key Performance Indicator A2.5	The total amount of packaging materials used for finished products (calculated in tons) and (if applicable) the amount per production unit.	Part 8
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies to reduce the significant impact of the issuer on the environment and natural resources.	Part 8
Key Performance Indicator A3.1	Describe the significant impacts of business activities on the environment and natural resources, and the actions taken to manage these impacts.	Part 8
Aspect A4: Climate Change		
General Disclosure	Policies for identifying and addressing significant climate-related issues that have affected or may affect the issuer.	Part 8
Key Performance Indicator A4.1	Describe significant climate-related issues that have affected or may affect the issuer, and the actions taken to address them.	Part 8



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Major Categories, Aspects, General Disclosures, and Key Performance Indicators	Description	Corresponding Sections/ Statements
Aspect B1: Employment		
General Disclosure	Regarding compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other benefits and welfare: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part 7
Key Performance Indicator B1.1	Total number of employees categorized by gender, employment type (such as full-time or part-time), age group, and region.	Part 7
Key Performance Indicator B1.2	Employee turnover rate categorized by gender, age group, and region.	Part 7
Aspect B2: Health and Safety		
General Disclosure	Regarding the provision of a safe working environment and ensuring employees are protected from occupational hazards: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part 7
Key Performance Indicator B2.1	The number and rate of work-related fatalities for each of the past three years (including the reporting year).	Part 7
Key Performance Indicator B2.2	Number of workdays lost due to work-related injuries.	Part 7
Key Performance Indicator B2.3	Description of the occupational health and safety measures adopted, as well as the related implementation and monitoring methods.	Part 7

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Major Categories, Aspects, General Disclosures, and Key Performance Indicators	Description	Corresponding Sections/ Statements
Aspect B3: Development and Training		
General Disclosure	Policies related to enhancing employees' knowledge and skills for performing job duties. Description of training activities.	Part 7
Key Performance Indicator B3.1	Percentage of trained employees categorized by gender and employee category (such as senior management, middle management, etc.).	Part 7
Key Performance Indicator B3.2	Average training hours completed per employee, categorized by gender and employee category.	Part 7
Aspect B4: Labor Standards		
General Disclosure	Regarding the prevention of child labor or forced labor: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part 7
Key Performance Indicator B4.1	Describe measures to review recruitment practices to avoid child labor and forced labor.	Part 7
Key Performance Indicator B4.2	Describe the steps taken to eliminate the situation upon discovering non-compliance.	Part 7



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Major Categories, Aspects, General Disclosures, and Key Performance Indicators	Description	Corresponding Sections/ Statements
Aspect B5: Supply Chain Management		
General Disclosure	Policies for managing environmental and social risks in the supply chain.	Part 6
Key Performance Indicator B5.1	Number of suppliers divided by region.	Part 6
Key Performance Indicator B5.2	Describe the practices related to hiring suppliers, the number of suppliers to whom these practices are applied, and the related implementation and monitoring methods.	Part 6
Key Performance Indicator B5.3	Describe the practices for identifying environmental and social risks at each stage of the supply chain, and the related implementation and monitoring methods.	Part 6
Key Performance Indicator B5.4	Describe the practices that encourage the use of environmentally friendly products and services when selecting suppliers, as well as the related implementation and monitoring methods.	Part 6
Aspect B6: Product Responsibility		
General Disclosure	Regarding the health and safety, advertising, labeling, and privacy issues of the products and services provided, as well as the remedial methods: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part 5
Key Performance Indicator B6.1	The percentage of products sold or shipped that are recalled for safety and health reasons.	Not applicable
Key Performance Indicator B6.2	Number of complaints received regarding products and services and the response methods.	Part 5
Key Performance Indicator B6.3	Description of practices related to the maintenance and protection of intellectual property.	Part 4
Key Performance Indicator B6.4	Description of quality inspection processes and product recall procedures.	Part 5
Key Performance Indicator B6.5	Description of consumer data protection and privacy policies, as well as related implementation and monitoring methods.	Part 5

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Major Categories, Aspects, General Disclosures, and Key Performance Indicators	Description	Corresponding Sections/ Statements
Aspect B7: Anti-corruption		
General Disclosure	Regarding the prevention of bribery, extortion, fraud, and money laundering: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part 3
Key Performance Indicator B7.1	The number of corruption litigation cases filed against the issuer or its employees during the Reporting Period that have been concluded, and the outcomes of such litigation.	Part 3
Key Performance Indicator B7.2	Description of preventive measures and reporting procedures, as well as related implementation and monitoring methods.	Part 3
Key Performance Indicator B7.3	Description of anti-corruption training provided to directors and employees.	Part 3
Aspect B8: Community Investment		
General Disclosure	Policies regarding community engagement to understand the needs of the communities where operations are located and to ensure that business activities consider community interests.	Part 9
Key Performance Indicator B8.1	Focus on areas of contribution (such as education, environmental issues, labor needs, health, culture, sports).	Part 9
Key Performance Indicator B8.2	Resources utilized in focus areas (such as money or time).	Part 9