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株洲中车时代电气股份有限公司
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

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

(Stock Code: 3898)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025. This announcement, containing the main text of the 2025 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to the information to accompany preliminary announcements of interim results. The 2025 interim report of the Company will be published and available for viewing on the website of the Stock Exchange at <http://www.hkex.com.hk> and on the website of the Company at <http://www.tec.crrczic.cc> on or before 30 September 2025.

By order of the Board
Zhuzhou CRRC Times Electric Co., Ltd.
Li Donglin
Chairman

Zhuzhou, China, 22 August 2025

As at the date of this announcement, our chairman of the Board and executive Director is Li Donglin, our vice chairman of the Board and executive Director is Shang Jing, our other executive Director is Xu Shaolong, and our independent non-executive Directors are Li Kaiguo, Zhong Ninghua, Lam Siu Fung and Feng Xiaoyun.

Important Notice

I. THE BOARD OF DIRECTORS, THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY WARRANT THAT THE INFORMATION STATED IN THIS INTERIM REPORT IS TRUE, ACCURATE, COMPLETE AND WITHOUT ANY FALSE REPRESENTATION, MISLEADING STATEMENT OR MATERIAL OMISSION, AND ASSUME SEVERAL AND JOINT LIABILITIES.

II. WARNING OF SIGNIFICANT RISKS

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

III. NON-ATTENDANCE OF DIRECTOR

Position of non-attending director	Name of non-attending director	Reasons for non-attendance	Name of proxy
Independent director	Li Kaiguo	Due to work commitments	Zhong Ninghua

IV. THIS INTERIM REPORT WAS UNAUDITED.

V. LI DONGLIN, PERSON-IN-CHARGE OF THE COMPANY, SUN SHAN, THE ACCOUNTING CHIEF, AND YUAN FENG, PERSON-IN-CHARGE OF THE ACCOUNTING DEPARTMENT (HEAD OF THE ACCOUNTING DEPARTMENT), WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE FINANCIAL REPORT SET OUT IN THIS INTERIM REPORT.

VI. THE PROFIT DISTRIBUTION PROPOSAL OR PROPOSAL ON TRANSFER OF CAPITAL RESERVE FUND INTO SHARE CAPITAL FOR THE REPORTING PERIOD CONSIDERED AND APPROVED BY THE BOARD

The Company proposes to distribute cash dividends to the Shareholders based on the total number of Shares determined on the record date fixed for the equity distribution which will be specified in the equity distribution implementation announcement. The Company proposes to distribute cash dividends of RMB4.40 (tax inclusive) for every ten Shares held by Shareholders, totaling RMB597,497,301.28 based on the total share capital of the Company of 1,357,948,412 shares as at 30 June 2025, accounting for 35.75% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for the first half of 2025. In case of any change in the total share capital of the Company from the date of the profit distribution announcement to the record date for implementation of the equity distribution, the Company proposes to maintain the payout ratio per Share unchanged, make corresponding adjustments to the total payout amount, and will publish separate announcement(s) on the specific adjustments. The above profit distribution plan has been considered and approved at the 20th meeting of the seventh session of the Board. This matter has been authorized at the 2024 annual general meeting held on 27 June 2025 and is not subject to consideration at the general meeting of the Company.

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

☐Applicable ☒Not applicable

Important Notice

VIII. DISCLAIMER OF FORWARD-LOOKING STATEMENTS

☒Applicable ☐Not applicable

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

IX. WHETHER THE CONTROLLING SHAREHOLDER OR OTHER RELATED PARTIES HAVE MISAPPROPRIATED THE COMPANY'S FUNDS FOR NON-OPERATION PURPOSES

No

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

No

XI. WHETHER MORE THAN HALF OF THE DIRECTORS CANNOT GUARANTEE THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE INTERIM REPORT DISCLOSED BY THE COMPANY

No

XII. OTHERS

☐Applicable ☒Not applicable

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Notes:

1. Financial information in this interim report has been prepared based on the PRC Accounting Standards.
2. This interim report is prepared in both Chinese and English. In case of any inconsistencies, the Chinese shall prevail.
3. Figures contained in this interim report are generally rounded down to two decimal places, and the difference in the last decimal place between the total and the sum of addends as shown in certain tables, if any, is a result of rounding.



Section I Definitions

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

DEFINITIONS OF FREQUENTLY USED TERMS

"A Share(s)"	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the STAR Market of the SSE and subscribed for and traded in Renminbi
"Articles of Association"	the articles of association of the Company
"Baoji CRRC Times"	Baoji CRRC Times Engineering Machinery Co., Ltd. (寶雞中車時代工程機械有限公司)
"Board"	the board of Directors of the Company
"Company", "Times Electric" or "CRRC Times Electric"	Zhuzhou CRRC Times Electric Co., Ltd. (株洲中車時代電氣股份有限公司)
"CRRC"	CRRC Corporation Limited (中國中車股份有限公司)
"CRRC Asset Management"	CRRC Asset Management Co., Ltd. (中車資產管理有限公司)
"CRRC Group"	CRRC Group Co., Ltd. (中國中車集團有限公司)
"CRRC Times Semiconductor"	Zhuzhou CRRC Times Semiconductor Co., Ltd. (株洲中車時代半導體有限公司)
"CRRC ZELRI"	CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)
"CRRC Zhuzhou"	CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)
"CSR"	former CSR Corporation Limited (中國南車股份有限公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"FAO"	fully automatic operation, fully automatic driving or unmanned driving system
"Group"	the Company and its subsidiaries



Section I Definitions

“H Share(s)”	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange and are subscribed for and traded in HK\$
“IGBT”	insulated gate bipolar transistor, a compound fully-controlled voltage-driven power semiconductor device composed of bipolar triode and insulated gate field effect transistor
“IPD”	integrated product development, a set of models, concepts and methods of product development
“MOSFET”	metal-oxide-semiconductor field-effect transistor, a field effect transistor which can be widely used in analog circuits and digital circuits
“ROV”	remote operated vehicle, an underwater robot used for underwater observation, inspection and construction
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
“SEHK Listing Rules” or “Hong Kong Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“SiC”	silicon carbide, with excellent characteristics such as band gap, drift speed, breakdown voltage, thermal conductivity and high temperature resistance which are significantly superior to traditional silicon
“SSE”	the Shanghai Stock Exchange (上海證券交易所)
“SSE STAR Market Listing Rules”	Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the SSE
“State Railway Group”	China State Railway Group Co., Ltd. (中國國家鐵路集團有限公司)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“the reporting period”	six months ended 30 June 2025

Section II Corporate Profile and Key Financial Indicators

I. CORPORATE INFORMATION

Chinese name of the Company	株洲中車時代電氣股份有限公司
Chinese abbreviation	時代電氣
English name of the Company	Zhuzhou CRRC Times Electric Co., Ltd.
English abbreviation	Times Electric
Legal representative of the Company	Li Donglin
Registered address of the Company	Times Road, Shifeng District, Zhuzhou
Previous change of registered address of the Company	None
Office address of the Company	Times Road, Shifeng District, Zhuzhou
Postal code of office address of the Company	412001
Website of the Company	www.tec.crrczic.cc
E-mail	ir@csrzic.com
Query index of changes during the reporting period	Not applicable

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board (Domestic representative for information disclosure)	Representative of securities affairs
Name	Long Furong	Xiao Ying
Correspondence address	Times Road, Shifeng District, Zhuzhou	Times Road, Shifeng District, Zhuzhou
Telephone	0731-28498028	0731-28498028
Fax	0731-28493447	0731-28493447
E-mail	ir@csrzic.com	ir@csrzic.com

III. CHANGE IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers designated by the Company for information disclosure	Shanghai Securities News, China Securities Journal, Securities Times and Securities Daily
Website for publishing the interim report of the Company	www.sse.com.cn
Place where interim report of the Company is available for inspection	Board Office of Zhuzhou CRRC Times Electric Co., Ltd. at Times Road, Shifeng District, Zhuzhou
Query index of changes during the reporting period	Not applicable

Section II Corporate Profile and Key Financial Indicators

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

(I) Basic information of shares of the Company

☒Applicable ☐Not applicable

Basic information of shares of the Company

Class of shares	Place of listing and market	Stock abbreviation	Stock code	Stock abbreviation before change
A Shares	STAR Market of the SSE	Times Electric	688187	Not applicable
H Shares	Main Board of the Stock Exchange	Times Electric	3898	CRRC Times Elec

(II) Basic information of depositary receipts of the Company

☐Applicable ☒Not applicable

V. OTHER RELEVANT INFORMATION

☐Applicable ☒Not applicable

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Key Accounting Data

Unit: Yuan Currency: RMB

Key accounting data	Current reporting period (January to June)	Corresponding period of last year		Increase/decrease from the corresponding period of last year (%)
		After adjustment	Before adjustment	
Revenue	12,213,971,602	10,355,639,193	10,283,733,393	17.95
Total profit	2,087,746,311	1,682,048,129	1,708,743,865	24.12
Net profit attributable to shareholders of the listed company	1,671,501,854	1,480,145,282	1,506,841,018	12.93
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	1,587,913,446	1,158,683,608	1,158,683,608	37.04
Net cash flow from operating activities	1,879,416,373	651,393,081	670,363,515	188.52

Section II Corporate Profile and Key Financial Indicators

	As at the end of the current reporting period	As at the end of last year		Increase/decrease from the end of last year (%)
		After adjustment	Before adjustment	
Net assets attributable to shareholders of the listed company	40,652,675,072	41,527,759,522	41,527,759,522	-2.11
Total assets	69,175,491,052	64,802,246,319	64,802,246,319	6.75

(II) Key Financial Indicators

Key financial indicators	Current reporting period (January to June)	Corresponding period of last year		Increase/ decrease from the corresponding period of last year (%)
		After adjustment	Before adjustment	
Basic earnings per share (RMB/share)	1.21	1.05	1.07	15.24
Diluted earnings per share (RMB/ share)	1.21	1.05	1.07	15.24
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	1.15	0.82	0.82	40.24
Weighted average rate of return on net assets (%)	4.14	3.85	3.93	Increased by 0.29 percentage points
Weighted average rate of return on net assets after deduction of non-recurring profit or loss (%)	3.94	3.01	3.02	Increased by 0.93 percentage points
R&D investment as a percentage of revenue (%)	10.40	9.54	9.47	Increased by 0.86 percentage points

Explanation of key accounting data and financial indicators of the Company

✓Applicable ☐Not applicable

Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss: The Company's net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss recorded a year-on-year increase of 37.04%, primarily attributable to an increase in net profit attributable to the parent company resulting from increase in revenue;

Net cash flow from operating activities: The Company's net cash flow from operating activities recorded a year-on-year increase of 188.52%, primarily attributable to the increase in cash received from sales of goods and provision of services;

Basic earnings per share after deduction of non-recurring profit or loss: The Company's basic earnings per share after deduction of non-recurring profit or loss recorded a year-on-year increase of 40.24%, primarily attributable to the increase in net profit after deduction of non-recurring profit or loss and the decrease in total share capital as a result of repurchase of H Shares.

Explanation of reasons for adjustment in the previous year: In December 2024, the Company acquired 100% equity of Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and included it in the scope of consolidated financial statements. The transaction constitutes a business combination under the common control, and therefore the financial data of previous periods are adjusted retrospectively according to the relevant requirements of the Accounting Standards for Business Enterprises.

Section II Corporate Profile and Key Financial Indicators

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

☐Applicable ☒Not applicable

VIII. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount	Note (where applicable)
Profit and loss on disposal of non-current assets, including the reversal of provision for asset impairment	-682,457	/
Government grants recognised through profit or loss for the period (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed according to a fixed standard with continuing impact on the profit or loss of the Company)	83,567,707	/
Gain or loss on changes in fair value from financial assets and financial liabilities held by non-financial enterprises, and gain or loss from disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	4,672,057	/
Reversal of impairment provision for trade receivables subject to separate impairment assessment	10,823,292	/
Other non-operating income and expenses apart from the aforesaid items	12,629,451	/
Less: Effect of income tax	16,633,836	/
Effect of non-controlling interests (after tax)	10,787,806	/
Total	<u>83,588,408</u>	<u></u>

Explanations of recognising items not listed in the "Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profits or Losses" as non-recurring profit or loss items and with significant amounts, and treating non-recurring profit or loss items defined and listed in the "Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profits or Losses" as recurring profit or loss items

☐Applicable ☒Not applicable

Section II Corporate Profile and Key Financial Indicators

IX. COMPANIES WITH EQUITY INCENTIVE PLANS OR EMPLOYEE STOCK OWNERSHIP PLANS MAY CHOOSE TO DISCLOSE NET PROFIT AFTER DEDUCTION OF THE IMPACT OF SHARE-BASED PAYMENTS

☐Applicable ☒Not applicable

X. EXPLANATION OF PERFORMANCE INDICATORS OF NON-ENTERPRISE ACCOUNTING STANDARDS

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Amount for the current period	Amount for the preceding period
Accounting indicator: Net profit	1,784,196,054	1,574,336,829
Adjustment item: Interest expenses	10,105,440	25,676,823
Adjustment item: Income tax expense	303,550,257	107,711,300
Adjustment item: Depreciation charge	598,892,075	459,415,685
Adjustment item: Amortization charge	132,198,805	127,930,653
Non-enterprise accounting standards financial indicator: EBITDA	<u>2,828,942,631</u>	<u>2,295,071,290</u>

Reason for selecting the non-enterprise accounting standards financial indicator

The Company is a rail transit equipment and emerging industrial equipment manufacturer, which requires long-term and substantial capital expenditure in investment and construction in related business fields, and is a capital-intensive enterprise. EBITDA can effectively eliminate the interference of expenses generated in the capitalization construction of the Company on profit indicators by excluding the profit influencing factors such as depreciation, amortization, interest and taxes, fully reflect the operational ability and profitability of the Company's core business, and reflect the real contribution of the industry to the Company's development.

Description of the changes in the selection of non-enterprise accounting standards financial indicators or adjustment items compared with the previous year

☐Applicable ☒Not applicable

Reasons for the changes of the non-enterprise accounting standards financial indicators during the current period

During the reporting period, The Company's EBITDA was RMB2,828.94 million (RMB2,295.07 million in the same period of last year), a year-on-year increase of 23.26%, mainly due to the growth in net profit driven by the growth in revenue scale.



Section III Management Discussion and Analysis

I. INDUSTRY LANDSCAPE AND THE PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Principal Business

As a leading traction converter system supplier in China's rail transit industry, the Company has integrated capabilities in R&D, design, manufacturing, sales and services, and is committed to becoming a preferred supplier of comprehensive solutions for rail transit equipment in the world.

With a focus on technology R&D, the Company upholds the philosophy of "high-quality, high-efficiency operation" and the strategy of "concentric diversification" to gradually develop non-rail transit markets on the basis of consolidating the rail transit business, so as to create new growth drivers.

The Company is mainly engaged in the R&D, design, manufacturing and sales of rail transit equipment products and the provision of related services, and has an industrial structure of "components+ systems + complete machines". Its products mainly include rail transit electrical equipment (primarily traction converter systems of rail transit vehicles), railway engineering machinery and communication signal systems. Meanwhile, the Company actively expands to industries other than rail transit, and conducts business in the fields of basic devices, new energy vehicle electric drive system, new energy power generation equipment, marine equipment and industrial converter. After years of R&D efforts and technology accumulation, the Company has developed a completely independent intellectual property rights system, and has become a high-tech enterprise with independent intellectual property rights in the fields of electrical system technology, converter and control technology, industrial converter technology, train control and diagnosis technology, railway engineering machinery technology, power semiconductor technology, communication signal technology, data and intelligent application technology, traction power supply technology, inspection and testing technology, deep-sea robotic technology, NEV electric drive system technology, and sensor technology.

Since its establishment, the Company's principal business has not changed significantly.

(II) Industry Landscape

With the conclusion of the 20th CPC National Congress, China embarked on a new journey of Chinese-style modernization towards the historic goal of national rejuvenation. Under an ambitious new energy blueprint defined in the report of the 20th CPC National Congress, the ongoing implementation of the "Outline for the Construction of Nation with Strong Transportation System", the "carbon peak and neutrality" strategy and other national initiatives will bring significant opportunities to the Company in developing rail transit and new energy equipment business.

Section III Management Discussion and Analysis

The “Outline for the Construction of Nation with Strong Transportation System” explicitly proposes to promote intelligent and digital transportation equipment, vigorously develop intelligent transportation, promote conservation and advocate low-carbon and eco-friendly development. For the development of advanced rail transit equipment, China aims to develop a new generation of green, intelligent, high-speed and heavy-duty rail transit equipment system, provide users with integrated solutions across the life cycle of the system, and build a world-leading modern rail transit industry. Meanwhile, in the context of the carbon peak and neutrality strategy, the state vigorously improves railway transport capacity under the “highway to railway” initiative, and hence heavy-duty freight locomotives still have great growth potential; as a core part of the New Infrastructure Plan, intercity high-speed railway/urban rail transit has ushered in attractive development opportunities; market opportunities abound in the urban rail industry which is driven by smart technologies and integrated innovation; the rail transit maintenance market is huge in size with a significant growth momentum.

China’s “carbon peak and neutrality” strategy is a major decision made based on the international and domestic environment, and of great significance for building an ecological civilisation in China, leading global climate governance and realising the Two Centenary Goals. In the context of “carbon peak and neutrality”, China’s new energy power generation industry is booming, especially in the “wind power, photovoltaic power, energy storage, and hydrogen power” market segments. The new energy market has great prospects and unlimited business opportunities. The key to industrial development is to work with partners to build an end-to-end technology ecosystem with deep integration of wind, solar, energy storage, hydrogen and electric control technologies. In addition, driven by the “carbon peak and neutrality” policy, the low-carbon energy transformation will fuel the rapid development of new energy vehicle electric drive systems, semiconductor devices and sensors.

Addition of major non-principal business

☐Applicable ☒Not applicable



Section III Management Discussion and Analysis

II. DISCUSSION AND ANALYSIS OF OPERATIONS

In the first half of 2025, while China's domestic economy showed some improvement in overall growth rate, it continued to face a complex environment with insufficient domestic effective demand and increasing international uncertainties. The Company adhered to its development philosophy of “high-quality, high-efficiency operation” and remained committed to its “concentric diversification” strategy. By deepening its expertise in rail transit while actively innovating in emerging industries, the Company achieved steady development.

In the rail transit segment, national railway fixed asset investment increased by 5.5% year-on-year, with both passenger and freight volumes showing positive growth trends. The Company maintained stable market share in the EMU and locomotive tenders initiated in the first half of the year. The performance verification of CR450 EMU progressed smoothly, while the development of new energy locomotive series continued. The Company saw an increase in advanced maintenance orders for EMUs and secured new cross-platform maintenance contracts for locomotives. The Company continued to lead the industry in new orders of urban rail traction system and achieved breakthroughs in cross-platform maintenance services. In overseas market expansion, the Company achieved new successes by winning 13 projects across Asia, the Americas and Europe, covering various system products such as diesel locomotives, new energy locomotives, power-concentrated EMUs, and urban rail transit. The Company actively advanced the development and promotion of new rail engineering machinery equipment for both mainline railway and urban rail markets, securing major maintenance orders for high-end vehicles including flaw detection and grinding equipment. The Company maintained stable market share in mainline railway signaling products and successfully launched the Ningbo Metro Line 8, its first FAO project in the urban rail sector.

For emerging equipment business, with the in-depth implementation of China's “carbon neutrality and carbon peaking” strategy, the Company's businesses that are highly aligned with green, energy-saving and low-carbon development, including basic devices, new energy vehicle electric drives, and wind power, photovoltaic power, hydrogen power and energy storage businesses, continued to grow rapidly.

For basic device sector, the Phase 3 power semiconductor project in Yixing progressed steadily, reaching designed production capacity by the end of June 2025. Capacity for medium- and low-voltage devices continued to rise, maintaining a leading position in domestic new energy vehicle and renewable energy power generation markets. High-voltage devices for power grids and rail transit were delivered as scheduled. Breakthroughs were made in reverse-conducting IGBT chip technology, with advancements in SiC dynamic performance and underlying reliability, significantly enhancing technological competitiveness. The first small-batch delivery of SiC modules for vehicle use was completed. Sensor business grew significantly year-on-year, nearing 2023 levels. Market share in rail transit remained dominant, while breakthroughs were achieved in the photovoltaic sector in both business scale and new product introduction. The Company also secured new project contracts for automotive sensors.

For new-energy passenger vehicle electric drive sector, the Company focused on both R&D breakthroughs and capacity expansion, prioritizing cutting-edge technological innovation. All-in-one integration achieved significant performance improvements in weight, efficiency and torque, securing the first high-voltage integration order and achieving initial mass production and application of all-in-one products. 20 new projects were secured, more than half of which were hybrid vehicle projects.

For industrial converters, the Company achieved notable results in both technology development and market expansion, securing new orders in mining, metallurgy, marine and air-conditioning sectors. It successfully implemented batch applications of pure electric mining truck traction converters and made breakthroughs in serving premium overseas customers.

Section III Management Discussion and Analysis

In new energy power generation sector, the Company achieved coordinated development across photovoltaic, energy storage, wind and hydrogen businesses, winning bids that ranked among the top in the domestic market in terms of capacity. It also secured its first offshore photovoltaic project while achieving first overseas orders for photovoltaic products, energy storage PCS and hydrogen production equipment.

In marine equipment sector, the Company won multiple new domestic and international orders, including its first EROV (Electric Remotely Operated Vehicle) system. The technological iteration of marine equipment continued to accelerate, establishing the Company's leadership in industry technology.

Analysis and prospect of change in financial indicators under non-enterprise accounting standards

☐Applicable ☒Not applicable

Significant changes in the operating condition of the Company during the reporting period, and events that occurred in the reporting period with a material impact or expected to have a material impact on the operation condition of the Company

☐Applicable ☒Not applicable

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Analysis of Core Competitiveness

☒Applicable ☐Not applicable

1. Leading market position

As a leading traction converter system supplier in China's rail transit industry, the Company provides traction converter system products that cover a variety of models in the fields of locomotives, bullet trains and urban rail transit, breaks the international monopoly, realises domestic substitution of the core train system, and takes the lead in domestic market. As of the end of the first half of 2025, its high-speed railway and locomotive traction converter system products have been leading in the domestic market for many years. In the field of urban rail transit, based on public information such as market bidding for urban rail traction converter systems, the Company has the largest market share in the domestic market for 13 consecutive years from 2012 to 2024. In the field of railway engineering machinery, Baoji CRRC Times, a subsidiary of the Company, is one of the three manufacturers of road maintenance machinery designated by State Railway Group. With about 74 administrative licenses, it can produce more than 50 kinds of products, and continuously expands to the passenger line and urban rail markets.

Furthermore, the Company rode on the opportunities in emerging equipment to make breakthroughs, ranking ahead in a range of sectors. As of the end of the first half of 2025, the Company ranked second in the industry in terms of installations of power modules for passenger cars with a market share of 13.6% (source: NE Times). On photovoltaic inverters, the Company won bids of 15GW in China, ranking among the top three in the industry for ground-mounted power plants. On sensor devices for rail transit, the Company consistently ranked No. 1 in terms of domestic comprehensive market share, while staying in the forefront across new energy vehicle electric drive, wind power and photovoltaic sectors.



Section III Management Discussion and Analysis

2. Innovation-driven technological capabilities

The Company is deeply engaged in the field of traction converter systems of rail transit vehicles, and has developed outstanding technological innovation strength. On this basis, the Company follows the strategy of “concentric diversification” to extend to related fields. The Company has built a well-established R&D system with continuous innovation capabilities in product design, manufacturing and testing. The Company has set up the Technical Committee to provide decision-making support for scientific research and technology development, introduced CMMI, IPD and other management systems and concepts, and established a R&D model featuring a synergy between industry product application technology and innovative cutting-edge technology. With strong capabilities in scientific research experiment, testing and detection, the Company has established a detection and testing system consisting of more than 20 laboratories including electrical system laboratory, motor laboratory, large vibration laboratory, reliability laboratory and TSN network consistency laboratory, covering research tests, type tests and ex-factory tests in various business areas.

The Company has 6 national technological innovation platforms, 7 provincial technological innovation platforms, and 1 postdoctoral workstation. The Company has been granted a total of 3,654 valid patents at home and abroad, including 2,473 invention patents; and has accumulatively led or participated in the formulation of 51 international standards and 198 domestic standards (including national standards, industry standards and group standards). In aggregate, the Company has obtained approvals for 49 national programs (including 39 national key research and development programs), and received a number of important awards including National, Provincial and Ministerial Science and Technology Awards, Science and Technology Award of China Electrotechnical Society, China Machinery Industry Science and Technology Award, Science and Technology Award of China Railway Society, and China Quality Award. In 2024, the Company received the second prize of the National Technology Invention Award, demonstrating its industry-leading strength in comprehensive scientific and technological innovation.

3. Highly reliable quality and service advantages

The Company always regards product quality as the foundation of survival. To comply with the changing management requirements of the international railway market and continuously improve the management ability and level of its quality system, the Company has passed a series of international quality management system certifications including ISO9001, EN15085 CL1, ISO22163, and IATF16949 certifications, and in order to ensure that the quality and safety performance of rail products comply with national standards and industry norms, it has obtained CRCC certification for relevant railway products, and conducts quality control of products in the production process. In addition, the Company has established a life-cycle quality management and assurance system covering design, development, procurement, manufacturing, marketing and services. Specifically, the Company identifies improvement opportunities through process review, process inspection, internal and external audit, regular management review, irregular quality inspection, data analysis and process improvement, and assigns relevant responsibilities to ensure that the improvement goals are achieved. The well-established quality management system and the whole life cycle quality management model ensure the high reliability and efficiency of products. The Company was awarded the title of Industrial Enterprise Quality Benchmarking Enterprise by the Ministry of Industry and Information Technology in 2013, and won the second China Quality Award in 2016. The Company always upholds the quality concept of “quality-driven Times Electric”, implements rigorous quality and safety control measures, and has built a company-wide quality culture emphasizing that “quality is the lifeline and the supreme responsibility and honor of the Company”.

In rail transit maintenance service, the Company established the “Greenshade Service” brand in 2004 and registered the only “Greenshade (綠蔭)” service trademark for after-sale service in the domestic rail transit industry. In new energy services, the Company achieved the “Five-Star Service Certification” from the China Association for Quality in 2024. Upholding the tenet of “fast, effective and satisfactory services”, the Company provides customers in rail transit and new energy sectors with around-the-clock, one-stop quality onsite service and continues to create value for customers. In addition, in line with the market trends in rail transit maintenance and in an ongoing effort to expand and optimise its maintenance coverage, the Company has established maintenance branches in Qingdao and Luoyang, as well as a number of local maintenance bases across the country.

Section III Management Discussion and Analysis

4. *Synergy across the whole industry chain*

Based on “Two Rails” and centering on “technology” and “market”, the Company has built presence in diverse industries and formed a complete industry chain comprising “basic components, devices and systems, complete machines and engineering”. The Company’s main products include rail transit electrical equipment (primarily traction converter systems of rail transit vehicles), railway engineering machinery, communication signal systems, sensor, power semiconductor devices, etc. In addition, leveraging its technologies, channels, brands and other advantageous resources in the field of rail transit equipment, the Company actively expands to industries other than rail transit, and comprehensively improves product strength through ongoing lean production, intensified process control, supplier management, etc. The complete industry chain structure and the growing emerging equipment business not only bring the Company profit growth drivers, but also serve as an important guarantee for the Company to master the whole industry chain resources and build a supplier system with self-developed core technologies and effective cost control.

5. *Industry leading high-caliber personnel*

The Company has a group of talents who master the core technologies, high-end skills and management expertise in the industry. Their professional backgrounds cover the fields of mechanical electronics, electrical engineering, automatic control, power electronics and materials, and their specialties are highly complementary. Among them, the R&D team is led by academicians of Chinese Academy of Engineering and consists of 4,066 R&D professionals, accounting for 40.8% of the total workforce. Nearly half of them have a graduate degree or above. The excellent team has laid a solid foundation for the Company to develop key technologies and maintain a technical edge.

In addition, the Company’s management team has extensive industry experience in the field of rail transit equipment manufacturing. Mr. Ding Rongjun, the former Chairman, has more than 40 years of experience in the rail transit industry. He was awarded the 7th Zhan Tianyou Railway Science and Technology Award and Achievement Award in 2005, was selected as an academician of the Chinese Academy of Engineering in 2011, and was named a Figure to Pay Tribute to for the 50th Anniversary of Urban Rail Transit in China in 2019. The traction converter technology developed by Mr. Ding Rongjun has been widely applied in rail transit vehicles, and he has led the team to build a semiconductor technology system with independent intellectual property rights. Mr. Li Donglin, the current Chairman of the Company, and Mr. Shang Jing, the Vice Chairman of the Company, also have more than 20 years of experience in the rail transit industry. Mr. Li Donglin received the Locomotive Medal of the All-China Railway Federation of Trade Unions and the title of Outstanding Entrepreneur of Hunan Province in 2011, and won the first prize of National SOE Management Innovation Achievements in 2017. Mr. Shang Jing is a national young and middle-aged scientific and technological innovation leader. He was selected into the “Ten Thousand Talents Program”, enjoyed the special allowance of the State Council, presided over and participated in three national scientific and technological projects, and won one second prize of the National Technology Invention Award and three golden prizes of China Patent Award. Mr. Xu Shaolong, who currently holds the positions as an executive Director and the general manager of the Company, is a core representative and senior technical expert in the technical discipline of rail transit traction drive control and new energy system of CRRC. He presided over and participated in four national scientific and technological projects, applied for more than 50 invention patents, and won the first prize of railway science and technology of China Railway Society, the first prize of Hunan Science and Technology Progress Award, Mao Yisheng Science and Technology Award, Hunan Huxiang Young Talents, Locomotive Medal and other honorary awards. Over the years, the management team with rich industry experience has led the Company to accurately seize industry development opportunities and achieve leapfrog growth.

Section III Management Discussion and Analysis

(II) Events which have a Serious Impact on the Company's Core Competitiveness, Impact Analysis and Countermeasures during the Reporting Period

☐Applicable ☒Not applicable

(III) Core Technologies and R&D Progress

1. Core technologies and their advancedness and changes during the reporting period

Since its establishment, the Company has been deeply engaged in the field of traction converter systems of rail transit vehicles, thus developing outstanding scientific and technological innovation strength. On this basis, the Company follows the strategy of "concentric diversification" to extend to related fields. Through independent research and development, the Company has developed a range of core technologies including electrical system technology, converter and control technology, industrial converter technology, train control and diagnosis technology, railway engineering machinery technology, power semiconductor technology, communication signal technology, data and intelligent application technology, traction power supply technology, inspection and testing technology, deep-sea robotic technology, new energy vehicle electric drive system technology, and sensor technology. As at 30 June 2025, the Company had 3,654 valid domestic and foreign registered patents to protect its core technologies. Moreover, it has signed confidentiality agreements and non-competition agreements with the relevant personnel to ensure that the core technologies are not disclosed.

The core technologies owned by the Company mainly include but are not limited to the following:

No.	Core technologies		Overview, advancedness and characteristics of technology
1	Electrical system technology	System integration technology	By establishing a scientific system of demand engineering, system stratification, system decision-making, system optimisation and system-component interaction, the Company has made breakthroughs in the research on integrated technologies such as asynchronous traction system, permanent magnet synchronous traction system, maglev traction system, electromechanical system integration and industrial equipment, forming a leading R&D system in China's rail transit industry. The traction converter systems developed by the Company are widely applied to locomotives, bullet trains, urban rail transit, maglev trains, etc.
2	Electrical system technology	System simulation technology	The Company has made breakthroughs in multi-level and multi-physical modeling technology covering operating environment, system, components, devices, etc. Based on multi-level virtual testing, verification and assessment technology covering software-in-the-loop, hardware-in-the-loop, power-in-the-loop and system-in-the-loop testing, the Company has conducted research on multi-objective optimisation design of traction converter systems with optimal performance in cost, energy consumption, power density and reliability and key components, thus comprehensively improving traction converter system products in terms of technology, performance, quality and cost

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
3	Converter and control technology	Overall converter technology	The Company has developed core key technologies such as power module application technology, system cooling technology, advanced converter control technology, lightweight design technology, safety design technology, circuit topology and simulation technology, structural strength simulation and optimisation technology, human factor engineering, EMC and environmental-friendly technology, which can meet the application requirements on serialised converter product platform in the rail transit and industrial converter fields
4	Converter and control technology	Converter topology technology	By developing key converter technologies such as multi-level converter technology, multiple series-parallel or cascade technology, bidirectional energy transmission technology, and common DC bus distributed coordination technology, the Company can flexibly configure the optimal topologies for different application fields and different power levels. With such topologies, relevant converter products are developed and applied to meet the application needs in the rail transit and industrial converter fields
5	Converter and control technology	Electric drive control technology	The Company adopts the rotor time constant identification technology based on excitation current attenuation, and overcomes the key problems of parallel power supply technology in auxiliary transformer control, which greatly improves the power supply performance, simplifies the vehicle power supply configuration and vehicle logic, and provides strong technical support for motor maintenance and converter application. In the field of multi-source power system, we realise the optimisation of energy management by integrating the coordinated control technology of power chain and control chain, which significantly improves the efficiency and availability of the system
6	Converter and control technology	Power semiconductor device application technology	The Company has developed such key technologies as device application characteristic technology, drive and control technology, overall module technology and module reliability, and built a stable and reliable multi-voltage IGBT device application technology platform. With a mature module product platform and drive pulse control platform for rail transit and industrial transmission, the Company can meet the needs of new topology application based on converter systems and optimal application of new power semiconductor devices, and conduct low-cost and high-reliability research based on product needs to support rail transit and industrial converter sectors

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
7	Industrial converter technology		Focusing on the major industries – mining, metallurgy, HVAC, vessels and new energy, the Company has developed such key technologies as multi-device, multi-power-module and multi-converter-unit parallel integration technology, onboard converter technology, high-power multi-level converter technology, technology for high dynamic response control of ultra-high power electric excitation synchronous motor, anti-vibration technology in bad road conditions, high-performance adhesion control technology on wet and slippery multi-state roads, extreme cold and high-altitude environment adaptation technology, multi-refrigerant self-optimising temperature control, multi-machine resonance suppression technology, low-voltage network applicability technology and intelligent IV diagnosis technology. On this basis, the Company has built an industrial converter and new energy converter technology and product platform with independent intellectual property rights and covering high, medium and low voltages and a capacity range of 0.1-4,000kVA, proposed and successfully applied a full-process positive product cost and quality control model, and developed a completely independent technology and industrial chain spanning from IGBT devices, power modules and converter devices to industrial system solutions, so as to provide full life cycle solutions based on customer value creation
8	Train control and diagnosis technology	Network control and diagnosis technology	The Company has developed high security, strong real-time, high reliability, multi-network integration and intelligent human-computer interaction technologies for train network control and diagnosis, and built a DTECS-1 network control platform with MVB/WTB technology, a DTECS-2 modular platform with real-time Ethernet technology, a DTECS-G general chassis platform, and a serialised high-performance train display platform; obtained functional and information security certification; and taken the lead in promoting the industrial application of new technologies and products such as real-time Ethernet and multi-network integration. Its products have been widely used in locomotives, bullet trains, urban rail and other vehicles

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
9	Train control and diagnosis technology	Train control multi-system integration technology	The Company has developed such key technologies as deterministic Ethernet communication, virtualisation, high-performance computing, high-level security, integrated control and integrated display, designed a unified new integrated train control system architecture to break the boundaries of onboard subsystems and lay a foundation for the optimisation and intellectualisation of vehicle functions, and developed a complete set of technology and solution capabilities, so that it can provide users with solutions tailored for different application scenarios which have been gradually promoted and applied in urban rail transit projects
10	Train control and diagnosis technology	General train coupling application technology	The Company has developed train coupling control technology based on radio, GSM-R, LTE private network, WIFI and other wireless communication networks, solved the problems of difficulty in laying connection cables, cable loosening and aging, interface incompatibility and differences in control characteristics in flexible train formation, and realised coordinated control of multiple locomotives of different types and at different locations, covering a number of formation modes including 2+0, 3+0, 1+1, 2+2, 1+1+1+1, etc. By widely applying the technology in 10,000-ton and 20,000-ton heavy-haul trains and leveraging its AC-DC and internal electric mixing capabilities, the Company has formed a remote and close wireless connection control platform to provide heavy-duty and flexible formation solutions
11	Railway engineering machinery technology	Railway engineering machinery system integration technology	The Company has developed R&D capabilities for railway vehicles, catenary maintenance vehicles, rail grinding vehicles, flaw detection vehicles, rail replacement vehicles, and other rail engineering machinery, and built a professional vehicle and system platform capable of fast detection, efficient operation, new energy propulsion and multiple functions. Its products have been widely applied in State Railway Group, urban rail transit and other railway infrastructure maintenance equipment fields

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
12	Railway engineering machinery technology	Basic railway engineering machinery technology	With a focus on professional technical areas such as structural strength, vibration and noise reduction, interior design and industrial modeling, powertrain matching and new material application, the Company has applied simulation analysis technologies for stress, fatigue and dynamics to enable the optimal design of key system components such as vehicle body, frame, bogie and brake, and built testing and experimentation capabilities simultaneously; completed the research on sound insulation and noise reduction technology, shock absorption technology and lightweight and modularization technology, realised the coordinated integration of functional innovation and structural design, gradually established unified platforms for assemblies such as vehicle body, bogie and powertrain unit, optimized vehicle platforms for rail maintenance and other vehicles, and established component technology platforms such as electric transmission systems, thereby further improving the platform-based, unified, modular and standardized design of vehicles
13	Railway engineering machinery technology	Power transmission technology for rail engineering machinery	The Company has developed such power transmission technologies as internal combustion drive, electric drive and hybrid drive. The internal combustion drive, electric drive and hybrid power system products developed by the Company have been widely applied in railway dual-power grinding vehicles, metro dual-power grinding vehicles, heavy-duty railway vehicles, tractors, catenary vehicles and other rail engineering machinery. Its permanent magnet traction system has been applied to tamping vehicles, enabling ultra-low constant speed and stepping electric drive for tamping vehicles
14	Railway engineering machinery technology	Railway engineering machinery operation and control technology	The Company has developed control technology for line tamping and stable screening, rail flaw detection technology, rail grinding control technology, high-precision railway geometric parameter measurement technology, rail laser alignment technology, spike identification and positioning technology, comprehensive inspection technology for lines and tunnels, and expert diagnosis technology, and built a distributed digital network control platform for large road maintenance machinery

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No.	Core technologies		Overview, advancedness and characteristics of technology
15	Power semiconductor technology	IGBT chip technology	Through in-depth research on IGBT chip cell technology, terminal technology and back technology, the Company has developed a high-voltage planar gate IGBT chip technology system characterised by U-shaped trench and soft punch-through and a low-voltage trench-gate IGBT technology system underpinned by two generations of technologies – “trench + soft punch-through” and “fine trench”, built a professional 8-inch IGBT chip manufacturing platform with a full set of distinctive advanced technologies covering buffer layer, ultra-thin film, high-reliability semi-insulating passivation film, and global and local life control, and fully mastered the technologies for the design and manufacturing of high-voltage and low-voltage IGBT and FRD chips with independent intellectual property rights. Its full range of chip products are widely used in the rail transit, power grid, new energy, automobile and industrial control fields
16	Power semiconductor technology	Silicon carbide chip technology	The Company has developed such key process technologies as high-reliability and low-interface defect gate oxynitridation, low-damage and high-aspect-ratio trench etching, submicron lithography, high-temperature selective ion implantation, high temperature activation annealing and low stress thinning, and power chip architecture design technologies such as active region gate oxygen electric field shielding, JFET region doping, carrier expansion, lightly doped source, body diode overvoltage suppression, saturation current suppression and high-reliability, high-efficiency space electric field modulation field ring terminal design; mastered the technologies for the design and manufacturing of MOSFET and SBD chips with core independent intellectual property rights; built a professional silicon carbide chip manufacturing platform with a full set of silicon carbide technologies for 6-inch chips; and has completed the design of a more advanced professional silicon carbide chip manufacturing platform for 8-inch chips, which will soon be operational. Its full-voltage MOSFET and SBD chip products can be used in new energy vehicle, rail transit, photovoltaic power, industrial transmission and other fields

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
17	Power semiconductor technology	Advanced packaging and component technology	The Company has developed such design technologies as multi-chip parallel current sharing design technology, efficient thermal management technology, and multi-physical field coupling simulation technology, developed advanced packaging technologies including large-area welding, copper terminal ultrasonic bonding, sintering, DTS, wire bonding and interface strengthening, established a complete set of standards for assessment of materials such as ceramic liners, resin packages and copper baseplates, and developed 750V-6,500V IGBT devices and 750V-3,300V SiC devices. Relevant products are widely used in the fields of locomotives, bullet trains, urban rail, flexible DC power transmission, new energy vehicles, mining frequency conversion, wind power, photovoltaic power, high-end industrial equipment and home appliances
18	Power semiconductor technology	Reliability technology	Through the research on reliability technology for power semiconductor devices including service life modeling, multi-stress test simulation design and accelerated testing, the Company has built a reliability assessment technology system for power semiconductor devices covering IGBT, SiC and bipolar devices across a full range of voltages. The technology system includes: reliability simulation modeling and reliability test design technology based on single physics and multiphysics, reliability assessment technology for new packaging structures and materials such as double-sided welding, crimping and integrated packaging, application life assessment technology of multi-dimensional (electric, thermal, mechanical and humidity) stress, and failure analysis technology system based on key performance testing technology and micro-interface sample preparation and characterisation technology
19	Communication signal technology	Main line railway signal system technology	The Company has developed train operation control technology, safety computer technology, onboard database technology, communication technology, fault diagnosis and warning technology, information system technology, operation instruction uploading and temporary dispatch command wireless uploading control technology for main line railway. Such technologies have been successfully applied to many projects including main line railway LKJ2000 monitoring device, LKJ-15 monitoring system, upgraded LKJ system, ETCS train control system, vehicle-ground communication, temporary speed restriction transmission, etc.

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No.	Core technologies		Overview, advancedness and characteristics of technology
20	Communication signal technology	Urban rail transit signal system technology	The Company has developed such professional technologies as signal integration technology, automatic train operation technology, interlocking technology, communication technology, intelligent dispatching technology, health management technology, and fault diagnosis and warning technology for urban rail transit signal system, as well as CBTC, FAO and TACS technologies for urban rail transit signal system, and mastered a full set of independent urban rail signal system technology, which has been successfully applied to signal engineering projects such as Changsha Metro, Foshan Metro, Wuxi Metro and Guiyang Metro
21	Communication signal technology	High-speed maglev train operation control system technology	The Company has developed long-distance, multi-zone, multi-power supply mode, complex safety system design and integration and other key technologies, and established a technology development platform for high-speed maglev train operation control system covering safety control model, vehicle-ground wireless communication, simulation and multi-system coordinated control
22	Data and intelligent application technology	Data processing technology	For the data intelligent application fields of rail transit, clean energy, deep-sea robots, carbon control and other industries, the Company collects, parses, stores, processes, classifies, merges, sorts, converts, analyzes and retrieves the data of core products produced by the Company and other third-party system data in the industry, and eventually provides data services for the upper application system. The Company completed the development of a self-developed data management platform and an IoT data platform for urban rail vehicles, and applied for software copyrights; conducted research on multimodal data integration, storage and retrieval technologies. The Company has carried out in-depth research on key technologies such as data governance, data processing, data storage, data sharing and data statistical analysis for product operations, and delivered more than 70 sets of localized big data platform products in the fields of rail transit and clean energy. For cloud technology, the Company supported data access for over 200 photovoltaic and energy storage power plants to the CRRC cloud

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No.	Core technologies		Overview, advancedness and characteristics of technology
23	Data and intelligent application technology	Onboard PHM technology	The Company has developed key technologies for fault diagnosis of capacitors, contactors, reactors, chopper/charge/discharge resistance, filters, various sensors and cooling fans based on online parameter identification and big data analysis, pioneered methods for fault diagnosis of traction motor bearings, stator insulation and couplings based on the existing control signals of converters in the industry, built an integrated vehicle-ground traction system health management platform, applied such technologies and methods to over 1,000 trains in the urban rail sector, enabling state perception, fault diagnosis and warning, state evaluation and health management for traction systems and providing strong support for the condition-based repair of traction systems
24	Data and intelligent application technology	Autonomous driving technology	The Company has developed such key technologies as optimal operation planning with multi-objective constraints, precise follow-up control, longitudinal dynamics modeling of trains, smooth operation of heavy-haul trains, simulation of heavy-haul train operation environment, and autonomous driving system integration; established a safe, stable, punctual and energy-efficient autonomous driving technology system; and formed a locomotive autonomous driving product platform covering electric power to internal combustion, general load to heavy load, freight to passenger transport, and main line to station. As of now, the platform has been applied in vehicles by a number of railway companies including CR Xi'an, CR Taiyuan, Haoji Railway, Baoshen Railway, Shuohuang Railway and Jingshen Railway, and has reached a widely-used normal operating state with a cumulative safe operation mileage of more than 6.6 million kilometers
25	Data and intelligent application technology	Intelligent sensing technology	The Company has developed such key technologies as high-performance edge computing platform technology, radar sensing technology, visual sensing technology, multi-modal data generation based on foundation model, automatic calibration and correction technology, mapping and positioning technology, and multi-sensor fusion detection, built an intelligent sensing application platform for multiple fields and all working conditions, and passed the highest SIL4 functional safety certification. The technologies have been widely applied in the fields of active obstacle detection for collision avoidance, TACS signal system, driver behavior recognition, pantograph-catenary condition monitoring, vehicle maintenance safety monitoring, and intelligent train driving

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
26	Data and intelligent application technology	Data and application security technology	The Company has developed system security technologies based on hardware/software data encryption and decryption, software reliability protection, device access verification and endogenous security, completed the research on application technologies in terms of data storage security, transmission channel security, system platform security and application software security; realised such core functions as vehicle-ground identity authentication, dynamic key negotiation, encrypted storage of onboard core data, safe vehicle-ground data transmission, identity authentication and access control of ground application system, and database security; and built a defense security system covering data encryption, access control, security isolation, audit tracking, software protection, safety management, etc. Such technologies have been widely applied to operation and maintenance-related products and passed a security risk assessment, greatly improving the security of operation and maintenance products
27	Traction power supply technology	Traction power supply converter technology	The Company has developed key technologies of converter for multi-source integrated AC/DC traction power supply system such as modularisation and miniaturisation, adaptability to all environments, high frequency and high efficiency, resistance to lightning strikes and short-circuit current bypass, and modular multilevel converters; realised energy saving and power quality control and improvement for multi-source integrated AC/DC traction power supply system, and built a technical system for power electronisation of multi-source integrated traction power supply system. The technologies have been widely applied to the rectifier, energy feedback and bidirectional converter fields regarding DC traction power supply system, as well as the in-phase power supply, power quality governance and other related fields regarding AC traction power supply system
28	Traction power supply technology	Traction power supply control technology	The Company has developed such key technologies of power supply converters as traction network voltage self-adaptation, switching frequency self-adjustment, efficiency and reliability optimisation, nearest-level approximation, and system monitoring and coordinated protection, and realised such functions as distributed dynamic reactive power compensation, imbalance suppression, low-order harmonic compensation, regenerative energy storage and utilisation, full-automatic phase separation, in-phase power supply, etc.

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
29	Inspection and testing technology	Traction and control testing technology	The Company has developed such technologies for rail transit traction system as ground joint debugging technology, high-power permanent magnet direct drive testing technology, multi-source hybrid power testing technology, high-power and high-frequency isolation testing technology, low-frequency power supply testing technology, and low-speed motor efficiency testing technology; built a traction and control testing platform covering rail transit, new energy and industrial converters; and established capabilities in vehicle ground simulation testing, power grid adaptability testing, field environment simulation testing, etc.
30	Inspection and testing technology	Electromagnetic compatibility (EMC) test technology	The Company has built a test verification system for electronic and electrical products covering anti-electromagnetic radiation interference, anti-static interference, and anti-surge and burst interference, and the on-site EMC test platform which meets the needs of quantitative testing of the electromagnetic radiation levels inside and outside of vehicles and the track interference current on rail lines in operation; realised the unification of the test environment and the application environment; and further improved the EMC performance of rail transit electrical equipment such as converter, network and power supply equipment as well as EMC testing capability for rail transit traction system
31	Inspection and testing technology	Reliability test technology	The Company has developed a test platform based on HALT & HASS, material screening and verification, accelerated life test, non-destructive test, intelligent test, vibration and noise analysis, cooling and heat dissipation and field test and analysis, and formed a reliability test standard system, which meets the needs of product fault excitation, on-site fault recurrence, weak link identification, product indicator verification, and product measurement profile acquisition, and represents the Company's core competitiveness in the fields of material control and selection, product indicator verification, on-site troubleshooting, and product design defect identification

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
32	Inspection and testing technology	Network and communication test technology	The Company has comprehensive train Ethernet and onboard bus testing capabilities, covering physical layer, link layer and application layer, and provides inspection and testing services for the industry. The Company has overcome the difficulties in protocol conformance testing of TTDP/TRDP, a proprietary train Ethernet protocol, independently designed standardised network element, and built a comprehensive proprietary Ethernet protocol conformance testing platform. The Company has verified the next-generation train communication network based on TSN technology, and developed testing solutions covering laboratories, ground interconnectivity and trains in field. The Company has built functional security and network security inspection and testing capabilities for train communication network to ensure the network to effectively resist external attacks; and established an independent rail transit safety assessment system, which has a network control system to enable functional and security inspection, to ensure safe operation of trains in the industry
33	Deep-sea robotic technology		The Company has developed the underwater robot electric propulsion technology, underwater remote high-voltage DC power transmission and distribution technology, heavy-duty working robot integration technology and high-power safe and efficient deployment and recovery technology, realised the sea trial and batch delivery of underwater remote-controlled working robots and underwater trenching and cable laying robots, successfully served in deep-sea scientific research, combustible ice drilling, submarine cable laying, offshore wind power submarine cable construction, dam maintenance and other major fields, thus establishing a leading position in China, and gradually progressed towards in-depth research of component technology from complete machines, aiming at further leadership in electrification and intelligence

Section III Management Discussion and Analysis

No.	Core technologies	Overview, advancedness and characteristics of technology
34	New energy vehicle electric drive system technology	The Company has developed integrated design technologies for high-power DC/DC bidirectional converters, chargers, onboard battery chargers, generators and motor inverter units, main circuit distribution, oil pumps, air pumps and insulation detection; established small, medium and high-power platforms for battery electric passenger cars, hybrid passenger cars, medium and heavy trucks, light trucks and buses; and built a technology development system covering single/dual electric control, single motor, three-in-one and all-in-one drive system integration products. The electric drive products have been widely applied in various models in battery electric/hybrid power passenger car and commercial vehicle fields
35	Sensor technology	With the technical characteristics of “intelligence, miniaturisation and high reliability”, the Company has created sensors and measuring devices with higher intelligence, higher integration, higher reliability, and higher consistency in mass production, developed such key testing technologies as independent sensor chip, multi-physical quantity fusion sensing, wireless passive sensing, digital electric quantity, intelligent displacement, etc., developed a new generation of electric quantity, speed, pressure, temperature, acceleration and displacement sensors, and realised the transformation from the development of sensor components to the provision of sensor measurement system solutions. Products are widely applied in areas such as rail transit, industrial photovoltaic, wind power, energy storage, charging and new energy vehicle

Section III Management Discussion and Analysis

National science and technology awards

✓Applicable ☐Not applicable

Award Name	Year of Award	Item	Award Level
National Science and Technology Progress Award	2010	Research, Development, Popularisation and Application of Ultra-high Power Electronic Device Technology	Second Prize
National Science and Technology Progress Award	2014	Research, Development and Application of Serialised High-power AC Drive Electric Locomotives Based on an Independent Technology Platform	Second Prize
National Technology Invention Award	2015	Key Technology and Application of Traction Control for High-speed and Heavy-haul Trains	Second Prize
National Science and Technology Progress Award	2018	A Complete Set of Technology and Equipment for Operation Safety Assurance of High-speed Railway Pantograph-Catenary System	Second Prize
National Technology Invention Award	2019	Key Technology and Application of High Voltage and High Current IGBT Chips	Second Prize
National Technology Invention Award	2024	High Voltage and Large Capacity DC Interrupting Semiconductor Devices, Key Technologies and Serialised DC Circuit Breakers	Second Prize

Section III Management Discussion and Analysis

Accreditation of specialised and new “Little Giant” enterprises and manufacturing “Individual Champions”

✓Applicable ☐Not applicable

Accredited to	Accredited Title	Year of Accreditation	Product Name
Ningbo CRRC Times Transducer Technology Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2021	Not applicable
Zhuzhou National Engineering Research Centre of Converters Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2021	Not applicable
Hunan CRRC Signal Co., Ltd.	Individual Champions Product	2021	LKJ device
Zhuzhou Times Electronics Technology Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2023	Not applicable
Zhuzhou National Engineering Research Centre of Converters Co., Ltd.	Individual Champions Product	2023	Electric drive system for off-highway mining vehicles
Ningbo CRRC Times Transducer Technology Co., Ltd.	Individual Champions Product	2023	Sensor for rail transit control
Chongqing CRRC Times Electrical Technology Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2024	Not applicable
CRRC SMD (Shanghai) Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2024	Not applicable

Section III Management Discussion and Analysis

2. *R&D achievements during the reporting period*

During the reporting period, the Company adhered to the key note of high-quality development to foster new quality productive forces according to local conditions, strengthen the leading role of technological innovation, and promote industrial innovation through technological innovation, achieving fruitful results in scientific and technological innovation.

During the first half of 2025, in the rail transit segment, the Company completed the installation and commissioning of a permanent magnet traction system and new power devices for the Fuxing locomotive, achieving a reduction of over 20% in traction energy consumption and up to 35% in auxiliary energy consumption. The Company completed batch delivery of the FXD1BA locomotive for the Daqin Line, enabling single-locomotive traction of 5,000 tons as a standard operation and achieving full coverage of China's heavy-haul railways with an independent traction network system. We deployed the locomotive autonomous driving system on over 140 trains, accumulating over 6.6 million kilometers of operation, marking its first deployment on Fuxing electric locomotives of State Railway. The CR450 EMU completed loop-line testing, as well as mainline trials on the Chongqing-Guizhou and Wuhan-Yichang lines, achieving a high-speed test run at 450 km/h. We established 68 fault warning items across 10 categories for permanent magnet traction systems, with the inter-turn short-circuit warning model applied for the first time in fault protection control on the CR450 EMU, effectively ensuring the operational safety of permanent magnet traction systems. We also continued to advance the development of new urban rail system platforms with focus on green and efficient operation, lightweight design, and safety and reliability, ensuring completion of on-vehicle testing within the year. For Hong Kong's Tuen Ma Line, the Company completed the PDS design phase for the high-voltage, traction, auxiliary and network systems, receiving approval from MTR. For Singapore's Cross Island Line, the Company completed type testing of systems and components under user supervision, gaining customer recognition. We overcame technical challenges in short-range wireless heavy-haul coupling, including WTB node virtualization and near-field wireless communication, and achieved batch operation for mainline for the first time, becoming the first product in this field to achieve batch operation in China and abroad. The Company successfully built China's first co-phase continuous power supply system test rig, which was verified by third-party evaluation. The fully autonomous FAO signaling system was successfully deployed on Ningbo Metro Line 8, entering a new phase of engineering application. The LKJ train operation control technology upgrade project completed the development and system integration of onboard and ground equipment, achieving wireless control for temporary speed restrictions and operational instructions, which earned high recognition from the Locomotive and Power Departments, and has advanced to engineering application testing, marking a key step in transforming from a supplier of on-board control equipment to a system integrator. Leveraging complex environments such as plateau regions, long steep slopes and dense tunnel clusters, the Company achieved breakthroughs in multi-power coupling traction, electro-pneumatic hybrid braking and efficient dust removal for railway infrastructure maintenance equipment, effectively filling industry gaps in related technologies. The Company applied AC drive control technology to its DWL-32 second-generation tamping and stabilizing vehicle for complex scenarios, marking China's first electrified transmission application in such equipment.

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In the emerging equipment segment, we finalized the new FRD lifetime control technology (Pt) platform, reducing leakage current by over 50% and reaching world-leading levels. We achieved breakthroughs in SiC dynamic performance and reliability core technologies, resulting in superior current output capability compared to international peers, greatly enhancing competitiveness. The Company commenced mass production and sales of its first chip-level current sensor. The Company commenced development of supporting sensors for 400kW+ string photovoltaic (PV) models, high-voltage station SVGs, and grid-forming PV-storage inverters, overcame technical challenges such as dual-Hall large-current detection and high-overload currents, and completed prototype verification. Pre-research was conducted on speed sensor based on the eddy current principle, increasing the speed measurement range from 10,000 rpm to 20,000 rpm. The next-generation 2000V/400kW+ string PV inverter was developed, equipped with CRRC's self-developed SiC modules, high-precision sensors and other core components, featuring three major advantages of "high-speed rail-grade quality, full independent controllability, and full-domain adaptive grid-forming capabilities". The Company developed its first liquid-cooled centralized energy storage converter – 2.5MW single-branch PCS, which passed the new national standard certification and testing, and received orders exceeding 2GW in the first half of the year, quickly achieving large-scale product deployment. The prototype and functional testing of the "super five-in-one" product were completed, showing a weight reduction of 14kg compared to the previous version, a 0.5% improvement in CLTC efficiency, and a 30% reduction in drag torque. We completed the development of a 4.X MW shaft generator inverter, establishing a serialized product lineup ranging from 0.5 to 5MW, meeting full power range application needs of the marine shaft generator market. The 1600-horsepower self-propelled deep-sea trenching robot and launch and recovery system passed shallow-water sea trials. We completed the first domestic delivery and sea trial of two 250-horsepower independently developed work-class ROVs, which completed 11 dives (173 hours of operation) immediately after trials.

With a focus on its core technologies and main products, the Company adhered to and actively planned for intellectual property efforts to continuously enhance its influence in the industry. In the first half of 2025, the Company was granted 165 new patents in China and abroad, including 7 patents in Europe, the United States and Japan, bringing the total number of valid patents granted to the Company to 3,654, of which over 60% are invention patents. We led or participated in the formulation of international, national, industry and group standards in transportation and energy sectors, among which 11 standards were released, leading to our consolidated industry position.

List of intellectual property rights obtained during the reporting period

	Increase in the period		Cumulative number	
	Number of applications	Number of approvals	Number of applications	Number of approvals
Invention patent	121	139	5,398	2,473
Utility model patent	38	25	1,986	1,077
Appearance design patent	5	6	274	104
Software copyright	–	–	385	385
Others	–	–	–	–
Total	164	165	8,043	4,039

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3. R&D investment

Unit: RMB yuan

	Current period	Corresponding period of last year	Change (%)
Expensed R&D expenditure	1,214,500,454	959,334,678	26.60
Capitalised R&D expenditure	56,248,592	28,905,627	94.59
Total R&D expenditure	1,270,749,046	988,240,305	28.59
Percentage of total R&D expenditure in revenue (%)	10.40	9.54	Increased by 0.86 percentage points
Percentage of capitalised R&D expenditure (%)	4.43	2.92	Increased by 1.51 percentage points

Reason for significant changes in total R&D expenditure over the previous year

☐ Applicable ☒ Not applicable

Reasons for significant changes in the proportion of capitalised R&D expenditure and explanation of rationality

☐ Applicable ☒ Not applicable

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4. Projects under development

✓Applicable ☐Not applicable

Unit: RMB0'000

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
1	Development of Electrical System for CR450 EMU	3,737	372	3,264	<p>1. Completed development, ground tests and on-board tests of components including traction converter, network control system, charger, safety monitoring and data centre;</p> <p>2. Reduced the volume of the traction converter by 15%, increased power density by 50%, and improved system efficiency by 4%; achieved clock synchronization accuracy of $\leq 1\mu s$ and data jitter of $\leq 1ms$ for the TSN-based network control system; developed a next-generation high-speed EMU traction converter and network control system platform with leading performance metrics.</p>	To complete prototype development and ground tests of components including traction converter, network control system, charger, safety monitoring and data centre, and meet requirements of the CR450 major technological project.	Building the next-generation high-speed EMU traction converter and network control system platform, and making key technology breakthroughs in new power devices, elimination of secondary resonance, and TSN, with product technical indicators reaching the international leading level.	Rail transit electrical equipment

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
2	Development of Train Autonomous Operation Control System Based on Vehicle-to-Vehicle Communication and Autonomous Perception	4,415	345	3,584	<ol style="list-style-type: none"> 1. Successfully passed the third-party independent safety assessment and obtained the safety certification; 2. Simultaneously advanced the collaborative TACS project with the industry association, CRRC, and the Hunan Provincial TACS Engineering Center; 3. Continued to promote the implementation of TACS applications in projects such as Changliu, Hefei S1 and Guangzhou APM; 4. Actively carried out TACS promotion and support efforts, engaged in in-depth communication with project owners in cities including Changsha, Chongqing, Hefei, Wuxi, Ningbo, Xi'an, Dalian, Shenzhen and Guangzhou. 	To complete the development of innovative train operation control system with integrated perception, network, communication and signal functions in accordance with the requirements on CMTCS3/4 level in the "Train Operation Control System in Urban Rail Transit – General Principles" issued by China Association of Metros, as well as the requirements on "safer, more convenient, more efficient, greener and more economical" train operation control system set forth in CRRC's "System+" strategy.	The train autonomous operation control system based on vehicle-to-vehicle communication and autonomous perception can meet GoA4 automation requirements and is backward compatible with GoA0-3 requirements. It supports all operation scenarios of fully automated operation system, covers traditional FAO/CBTC functions, and supports interconnection. The system can enhance train's perception of operating environment, improve the integration of multiple systems, reinforce the backup mode, and achieves significant improvements in key indicators such as efficiency, economics and safety. It can significantly improve availability of the system's main mode, enhance operational efficiency in degraded mode, and support flexible operational organisation.	Communication signal systems

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
3	Research and Application of Key Technologies in Fully Automatic Operation Signal System	884	81	782	<ol style="list-style-type: none"> 1. Completed multi-disciplinary integrated commissioning and testing verification for signaling, rolling stock, communications, platform screen doors, integrated monitoring, and power monitoring systems; 2. Completed a four-month trial operation and a continuous 20-day timetable test and assessment; 3. Obtained the initial passenger service operation certificate and report for the fully automated operation system; 4. Successfully passed the preliminary and official safety assessments by expert panels before the start of initial operations; 5. Successfully commenced passenger service operation on 30 June 2025. 	To develop a fully automatic operation signal system suitable for urban rail transit according to project requirements and relevant industry technical standards. Adopting active obstacle detection system to improve system safety, it can reduce operation and maintenance costs through deep integration with a big data platform, and realise energy-saving operation through integrated control.	<ol style="list-style-type: none"> 1. Deepening technology research on fully automatic operation signal system for urban rail transit; 2. Upgrading intelligent level of urban rail transit, and achieving the first application of our fully electronic interlocking system in the fully automatic operation system of urban rail transit; 3. Achieving the first application of active obstacle monitoring system in urban rail transit, to improve system availability and safety; 4. Improving the system's fault self-healing ability and fault recovery ability, to further enhance system availability and minimise the impact of system faults. 	Communication signal systems

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
4	Research and Application of Key Devices and Energy Management Technologies for Flexibly Interconnected Cophase Power Supply for Railways at Municipality Level	870	115	529	<ol style="list-style-type: none"> 1. Completed third-party evaluation and verification of the cophase power supply device combination test; 2. Completed on-site installation and wiring of cophase power supply devices at Tongluo Mountain primary substation and Jiuqu River primary substation; 3. Completed production of the electric energy measurement and control cabinet, and released the drawings for the energy management cabinet. 	To develop a flexibly interconnected cophase power supply system suitable for railways at municipality level. It aims to establish a full-line cophase interconnected power supply mode through internal cophase power supply within a traction substation and flexibly interconnected power supply across substations, thus realising flexible interconnection of power supply arms featuring whole-line cophase, elimination of power unavailable sections and relative independence across substations. It can solve the challenges in electric phase separation, power quality and cross-section direct utilisation of renewable energy, ensure flexible and controllable whole-line power supply as well as smooth segmentation of trains free of shocks and over-current, and improve comprehensive energy efficiency and safe and economic performance of the traction power supply system. By building a safer, more reliable, efficient, economical, green and low-carbon flexible traction power supply system, we will provide complete sets of technology and equipment to support higher-level green ecological railway construction.	Based on the innovative solution featuring "Cophase power supply across substations + Energy dispatching in sectional substations + Whole-line energy management platform", the Company can provide industry-leading power supply system solutions for railways at municipality level, and provide engineering scenario support for wide application of cophase power supply and energy dispatching devices.	Rail transit electrical equipment

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
5	Development of DC3,000V & DC750V Electric Traction System Platform for Overseas Urban Rail Transit	705	110	437	The performance of the DC750V and DC3000V systems was comprehensively benchmarked against leading international standards, achieving superiority in key metrics such as size, weight, noise, and efficiency. Construction design and sample cabinet production were completed, and sample cabinet commissioning was in progress.	Developed an electric traction system product platform that meets high performance and high reliability requirements in overseas urban rail transit markets under the mainstream DC3,000V and DC750V power supply standards while being compatible with domestic market demand, to enhance its market competitiveness.	The product performance is fully on par with industry benchmark products overseas, with leading core indicators in volume, weight, noise and efficiency.	Rail transit electrical equipment
6	Research and Application of Multi-source Integrated Energy System Technology in Rail Transit	646	140	542	<ol style="list-style-type: none"> 1. Completed technical route analysis and solution design for the 30MW-class energy router; 2. In the process of delivering a multi-port energy routing device for the demonstration project of flexible vehicle-grid green energy aggregation system; 3. Released the simulation platform for multi-source integration system. 	Focusing on demonstration application of the "grid – source – storage – vehicle" coordinated power supply system, to develop high-efficiency energy dispatching devices suitable for different application scenarios as well as feed-in equipment connecting new energy to power supply system in rail transit, build up standardised and universal converter products for power supply to new generation railways, and establish complete sets of coordinated power supply technology, equipment and standards for electrified railways.	<ol style="list-style-type: none"> 1. Developing the first 27.5kV large-capacity single-phase grid-connected bidirectional converter to support new energy feed-in of photovoltaic/energy storage systems. 2. Introducing a large-capacity full-power energy router system solution for railways; 3. Establishing system integration and solution capabilities in multi-source integrated system, and building up an integrated simulation model and a common energy management platform for multi-source integrated energy system; 4. Reaching the international leading level in terms of system integration and equipment capabilities. 	Rail transit electrical equipment

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
7	Development of Electrical System for 200km/h Power Centralised EMU	2,196	388	1,903	Completed full-train type tests in coordination with the vehicle; the results met the technical requirements, and application assessment on railway lines was underway.	To complete prototype development and ground tests of components including traction converter, network control system and train power supply and distribution cabinet, and meet technical requirements on 200km/h power centralised EMUs.	Developing an integrated converter for main and auxiliary power supply, equipped with a high-frequency auxiliary and train power supply system; and developing an integrated full-Ethernet vehicle control and intelligent monitor network control system platform for passenger EMUs, with product technical indicators reaching the international leading level.	Rail transit electrical equipment

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
8	In-depth Research on Autonomous Driving Technology for Large-scale Application and New Complex Scenarios	1,023	203	816	<p>1. For improved generalization of the autonomous driving system, completed configurable and generalized software design for locomotive autonomous driving control parameters, gradually implemented optimization and upgrades on Fuxing locomotives and existing project locomotives, enhanced the adaptability of general and heavy freight trains in complex and challenging operating scenarios;</p> <p>2. For new autonomous driving applications based on virtual marshalling, completed the autonomous driving system retrofit on the Shuohuang Railway SS4B locomotive, and finished interface commissioning for systems such as ATO-CCU, BCU, IDU, EOT, and microcontrollers. The first freight train virtual marshalling autonomous driving line test was scheduled for the second half of the year.</p>	<p>1. To conduct in-depth research on the impact of complex and mixed scenario on autonomous driving control strategies and control boundaries, and develop a set of autonomous driving software with strong adaptability, high universality, and decoupling of variables and control. To enhance the adaptability of general-load autonomous driving to cross-line and cross-intersection applications, and the responsiveness of heavy-haul autonomous driving to complex and mixed scenarios.</p> <p>2. For new autonomous driving applications based on virtual formation, to conduct research on key autonomous driving technologies including virtual formation application scenarios and coordinated control of train groups, and establish an autonomous driving simulation system that meets the requirements of virtual formation to support the extension of autonomous driving to virtual formation scenarios.</p>	<p>1. Improving autonomous driving adaptability of freight trains. Supporting the system to run safely and reliably in complex and mixed scenarios; building a set of test scenarios for ordinary freight trains and heavy-haul freight trains for the first time; and quickly adapting to large-scale application tests of products, to maintain competitive strengths of our existing products as a leader in locomotive autonomous driving;</p> <p>2. Establishing a locomotive autonomous driving system under an innovative train control system based on virtual formation for the first time, and developing a ground simulation test system for virtual train formation to extend the application of our locomotive autonomous driving products to virtual formation application scenarios.</p>	Rail transit electrical equipment

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
9	Development of 1,200V SiC Trench-gate MOSFET Chips with Low Specific On-resistance	2,963	723	2,369	<ol style="list-style-type: none"> 1. Reduced Eon from 35.9mJ to 15.5mJ, achieving a 22.4% reduction in Etotal; 2. Passed reliability tests including 1000h at 175℃ under +25V/-12V HTGB and +25V/-12V DGS; 3. Reached an efficiency of 99.08%, outperforming competitors such as ST and Wolfspeed, achieving a world-leading level. 	To develop a complete set of key trench-gate technologies, and complete the development of 1,200V SiC trench-gate MOSFET chip samples with low specific on-resistance.	Developing low specific on-resistance trench-gate MOSFET chip technology to reach the international fourth generation level and enhance the Company's core competitiveness in the SiC semiconductor sector.	Power semiconductor devices
10	Key Technology Research and Product Development of Current Sensors for String Photovoltaic Inverter System	595	109	476	<ol style="list-style-type: none"> 1. Completed prototype development of a fluxgate leakage current sensor, and passed both type and reliability tests with product performance exceeding industry standard requirements; 2. Completed small-batch validation of two open-loop Hall current sensors and one highly interference-resistant closed-loop Hall current sensor, which were approved by customers and received volume orders. 	To meet customer needs for high current detection on the DC side, application amid strong magnetic field interference on the AC side, and low zero-bias leakage detection in inverter system, the Company is developing two open-loop Hall current sensors, one strong anti-interference closed-loop Hall current sensor, and one fluxgate leakage current sensor, with product performance meeting the requirements.	Realising full coverage of current sensor solutions for string photovoltaic system, with key product indicators outperforming the industry standards.	Photovoltaic inverter sensors

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
11	Development of Current Sensor for Electric Control System of New Energy Vehicles	609	103	457	<ol style="list-style-type: none"> 1. Completed development of two single-chip Hall current sensors, which passed reliability and durability tests; 2. Completed development of triple and multi-sensor current sensing units for new energy vehicle electronic control systems, which passed reliability and durability tests; 3. Completed the development of current sensors for 800V high-voltage platform electronic control system for new energy vehicles, which passed reliability and durability tests. 	<ol style="list-style-type: none"> 1. To develop two single-chip Hall current sensors for electric control system of new energy vehicles, with product performance meeting application requirements of customers; 2. To develop two triple- and multi-junction current sensors for electric control system of new energy vehicles, with product performance meeting application requirements of customers; 3. To develop two current sensors for 800V high-voltage platform electric control system of new energy vehicles, with product performance meeting application requirements of customers. 	<ol style="list-style-type: none"> 1. Addressing the needs from small-size and low-cost electric control systems, the Company aims to develop compact single-chip and monolithic-board Hall current sensors, with flexibility in installation to improve compatibility with electric control systems; 2. Addressing the needs from highly integrated electric control systems, the Company aims to develop compact triple- and multi-junction current sensors for the systems, and reach the technical level of high integration and reliability; 3. Developing current sensors for 800V high-voltage platform to enhance their withstand voltage level and safety performance. 	New energy vehicle sensors

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
12	Technology Research and Product Development of Electrification Platform Technology for Deep Sea Robot	975	157	649	<ol style="list-style-type: none"> 1. Carried out and completed dynamic pressure simulation testing at 65MPa for two types of power converter boards; 2. Completed the development of an underwater DC-HC insulation detection control board for underwater cluster control systems, with small-batch delivery to the UK; 3. Completed development and small-batch delivery of a bidirectional power supply product for underwater robotic arms; 4. Completed component development and functional testing of a 200kW solid-state underwater circuit breaker; 5. Completed functional underwater testing of a 25kW permanent magnet direct-drive motor. 	To conduct research on efficient underwater electric transmission technology, develop power supply system, control, monitoring and protection devices, solve the difficulties in deep-sea underwater power supply and safe and reliable operation at mid- to high-power load, achieve efficient utilisation of electric power, reduce operating costs of deep-sea equipment, minimise underwater electrical impact, improve service life of electric control system, and enhance market advantage and position of our complete machines.	<ol style="list-style-type: none"> 1. Developing voltage-withstanding and driving technologies of semiconductor power devices, and realising their application in underwater converters, DC networking and distributed power supply systems; 2. Conducting research on underwater cluster control, detection and protection scheme, and establishing the foundation of intelligent control technology and system intelligent diagnosis technology for underwater robots; 3. Developing a high-power deep-sea propeller unit based on the integrated permanent magnet direct drive motor and drive system, and achieving high-efficiency electrification of deep-sea robot drive system; 4. The Company as a leading player in the ROV sector aims to establish a complete underwater electric drive product and technology platform. Currently, our underwater electrification and intelligent technologies are in a leading position in the industry. 	Deep-sea marine equipment

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
13	Development of Traction System for Diesel Locomotives Exported from Dalian to Kazakhstan	595	269	269	<ol style="list-style-type: none"> 1. Completed type testing of the traction converter, meeting extreme low-temperature requirements of -50°C; 2. Completed EAC certification tests for the traction converter, auxiliary converter, traction control unit and network control system; 3. Completed vehicle-level EAC certification testing. 	To develop the AC transmission diesel locomotive electrical traction system for locomotives exported from Dalian to Kazakhstan, including subcomponents such as the traction converter, auxiliary converter and network control system, in compliance with the technical agreement and delivery schedule requirements.	Developing traction converters, auxiliary converters and network control systems adaptable to extremely cold environments, meeting storage conditions of -50°C and operating at -40°C, while achieving the first EAC (Eurasian Conformity) certification for key systems.	Rail transit electrical equipment
14	Development of CR151 Electrical Traction System for Singapore Cross Island Line	564	158	158	<ol style="list-style-type: none"> 1. Completed component construction design as per project plan and finished prototype manufacturing and commissioning; 2. Completed type tests of all components witnessed by Sifang and Singapore users; 3. Completed system integration tests witnessed by Sifang and Singapore users; 4. Completed delivery of the first train, and commissioning will commence after overall vehicle assembly. 	To develop a complete electrical system and products for the fully automated trains of Singapore's Cross Island Line, according to the user's DCPS requirements, ensuring smooth delivery and operation of 55 trainsets; strictly carry out forward design, simulation, verification and risk control processes for subsystems including traction, auxiliary and network components in line with the user's technical specifications and create standardized and highly traceable technical documentation; cultivate a team of overseas technical talent with global vision and strong sense of responsibility.	<ol style="list-style-type: none"> 1. Developing the first low-voltage battery charger capable of supporting battery-powered traction on steep slopes (3%); 2. Designing a network security and information protection solution for train Ethernet systems in accordance with the IEC 62443 standard system, while developing foundational network equipment and maintenance tool software; 3. Conducting train-level energy consumption simulation, circuit simulation, and EMC simulation, and performing integrated system testing and verification; 4. Achieving international first-class levels in system integration and equipment performance. 	Rail transit electrical equipment

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
15	Development of 150kW String Inverter for Commercial and Industrial Photovoltaic Applications	456	124	124	1. Defined the technical route, finalized functional and technical specifications, and completed system design; 2. Completed the design and trial production of the conceptual prototype.	1. To perform multi-peak maximum power tracking to improve energy generation; 2. To equip the system with high-precision arc detection, intelligent breaking protection, AC/DC terminal temperature detection and protection, and IV curve scanning functions to further enhance equipment safety and operation and maintenance efficiency; 3. To achieve IP66 protection level for the equipment, meet high-altitude and -40°C low-temperature usage requirements, and improve environmental adaptability.	1. Meeting the application needs of high-power string inverters for commercial and industrial photovoltaics by developing a 150kW string PV inverter, completing related certification tests, enabling product application, and enriching the product portfolio; 2. Researching refined thermal management technologies to improve product performance and reliability; 3. Studying high-precision intelligent arc detection, intelligent breaking protection, and IV curve scanning functions to enhance intelligence and safety of the product.	Industrial converter products for photovoltaics

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
16	Development of HPS2.0 IGBT Hydrogen Production Power Supply Platform	539	107	107	1. Completed platform family planning and system design; 2. Completed conceptual prototype design; 3. Built the hardware-in-the-loop simulation platform.	1. To develop a high power density HPS2.0 product platform for hydrogen production power supplies that meet application needs of electrolyzers up to 5000 Nm ³ /h, with a focus on high power and low cost; 2. To study power control technologies under low SCR and off-grid conditions based on the weak grid/off-grid requirements of hydrogen production projects; 3. To research EMC optimization and full-system reliability design and technology to meet hydrogen generation project reliability and availability requirements.	Developing a next-generation IGBT hydrogen production power supply platform with higher power density and lower cost, fully covering the application needs of electrolyzers up to 5000 Nm ³ /h, leading the industry in technical indicators and consolidating a top market position.	Industrial converter products for hydrogen production
17	Development of 3.XMW Energy Storage Converter	352	162	162	1. Completed requirements research; 2. Completed solution design; 3. Completed conceptual prototype trial production.	1. To adapt to future mainstream high-spec cells in the energy storage field, such as 587Ah cells; 2. To enable grid-forming functionality; 3. To increase power density by over 20% and reduce footprint by 30%.	Developing high-power energy storage converters with industry-leading technology: 1. Adapting to 6.XMWh energy storage battery cabins; 2. Enabling active support and regulation of the power grid; 3. Achieving higher power density with a smaller footprint.	Industrial converter products for energy storage

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
18	Diesel-Electric Rail Welding Vehicle for Urban Rail Transit	287	79	79	1. Held five meetings with the customer for contract negotiation and design coordination, and confirmed the solution with the customer; 2. Completed solution design and review.	1. To complete construction drawings and technical documentation for the diesel-electric rail welding vehicle; 2. To complete prototype trial production of the diesel-electric rail welding vehicle.	Developing the diesel-electric rail welding vehicle to achieve breakthroughs in generator set power matching technology based on the operating characteristics of flash welding machines, electric traction control technology using industrial frequency generator sets as the power source with an intermediate voltage level of DC750V, rail flash welding technology for rail welding vehicles of urban rail lines, and integration technology for electric drive rail engineering vehicles, securing a leading position in China.	Railway engineering machinery
19	Development of High-Performance 750V FRD Chip Based on Advanced Process Platform	1,075	510	510	1. Achieved ~29A (↑ 4.8%) increase in output current and ~31A (↑ 5.8%) increase in locked-rotor current at 165℃ compared to existing products; 2. Increased SOA to 470kW, with peak capability improved by 17% (mass production at 400kW).	To develop a new 750V automotive-grade advanced FRD chip platform featuring high SOA capability, low leakage current and low loss characteristics.	Achieving simulated efficiency ≥97.4% using 7.5th generation advanced FRD products (based on S3+ modules), with chip technologies reaching internationally advanced level.	Power semiconductor devices

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
20	Pre-Research and Development of Supporting Sensors for New Energy Vehicle Customer Platform	244	99	99	<ol style="list-style-type: none"> 1. Completed development and testing of a compact standalone current sensor; 2. Finalized designs for two multi-sensor current modules; prototype development was in progress; 3. Completed a prototype of one multi-sensor current module; prototype testing was underway. 	To develop a new generation of current sensors for new energy vehicle electric drive systems in response to the market demand for the next generation of integrated, compact and low-cost electric drive systems from key customers in the domestic and international new energy vehicle markets; complete the prototype development of four products, with performance meeting specifications.	<ol style="list-style-type: none"> 1. Minimizing overall sensor size by optimizing magnetic core volume through structural and electrical interface design of the sensor, ensuring performance while enabling compact sensor structures; 2. Researching new IGBT power module structures and interfaces to match the spatial constraints of customer electric control systems, and developing corresponding current sensors. 	New energy vehicle sensors

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
21	Development of Super Integrated Electric Drive System for Pure Electric Vehicles	398	230	230	<ol style="list-style-type: none"> 1. Conducted R&D on lightweight technologies using magnesium-aluminum alloys, and performed global optimization of system efficiency; 2. Researched new motor materials and processes including ultra-thin silicon steel, ultra-short end windings, and ultra-high-speed rotors; 3. Developed key technologies in motor controllers such as high-efficiency SiC drivers, active filtering, DCDC/OBC and MCU electrical integration; 4. Studied technologies for reduction drive, including active lubrication and ultra-quiet design. Through research and engineering of new technologies, new functions and new materials at all levels of the system and components, we achieved the design goals of high power density, high efficiency and small size. 	To complete the development of a super integrated electric drive system for pure electric vehicles, achieving a 10% increase in power density, a 15% reduction in volume, and a 0.5% increase in efficiency.	Reaching overall advanced level in the industry in terms of key performance indicators, with certain indicators leading the industry.	New energy vehicle electric drive systems

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
22	Development of 4.X MW Shaft Generator Inverter	237	131	131	<ol style="list-style-type: none"> 1. Confirmed technical requirements and completed the drafting and review of technical specifications of the 4.X MW shaft generator inverter; 2. Benchmarked against ABB 4.3MW project for size, module configuration and overall layout, using it as reference for inverter design; 3. Conducted solution design and technical design of the 4.X MW shaft generator inverter, completed the design and simulation of multiple air-cooled circulation cooling systems inside the cabinet, and released the system drawings; 4. Completed factory acceptance tests and temperature rise tests for the inverter, with temperature rise meeting design requirements. 	<ol style="list-style-type: none"> 1. To complete the design and development of the 4.X MW shaft generator inverter; 2. To complete system-level joint commissioning to meet system matching requirements; 3. To complete shipboard application of the 4.X MW shaft generator inverter. 	<ol style="list-style-type: none"> 1. Developing the first domestic low-voltage shaft generator inverter above 4MW, reaching advanced level in China with a power density of 351W/L, surpassing mainstream brands; 2. Achieving a power density of 351W/L, higher than ABB ACS880. 	Industrial converter products
Total	/	24,365	4,715	17,677	/	/	/	/

Section III Management Discussion and Analysis

5. R&D personnel

Unit: RMB0'000 Currency: RMB

	Basic information	
	Amount for the current period	Amount for the same period last year
Number of R&D personnel of the Company (persons)	4,066	3,076
Percentage of R&D personnel in the workforce of the Company (%)	40.80	37.08
Total remuneration of R&D personnel	65,785.69	46,558.76
Average remuneration of R&D personnel	16.2	15.1

Education level	Educational backgrounds	
	Number (persons)	Proportion (%)
Doctorate degree	138	3.40
Master degree	1,803	44.34
Bachelor degree	2,046	50.32
Junior college degree and below	79	1.94
Total	4,066	100.00

Age group	Age structure	
	Number (persons)	Proportion (%)
Aged below 30 (exclusive of 30)	1,517	37.31
Aged 30-40 (inclusive of 30 and exclusive of 40)	1,703	41.89
Aged 40-50 (inclusive of 40 and exclusive of 50)	699	17.19
Aged 50-60 (inclusive of 50 and exclusive of 60)	138	3.39
Aged 60 and above	9	0.22
Total	4,066	100.00

Note: The statistics for the first half of 2025 cover entities included in the consolidated statements of Times Electric and include overseas subsidiaries and branches, which are different from the statistics of the corresponding period of last year that excluded overseas subsidiaries and branches.

6. Other explanations

☐Applicable ☒Not applicable

Section III Management Discussion and Analysis

IV. RISK FACTORS

✓Applicable ☐Not applicable

(I) Core Competitiveness Risk

As a railway transit equipment supplier, the Company is required to launch constant research into new technologies and products, and invest tremendous manpower, capital and resources based on market demand and industry technological improvements. Given the uncertainties in technological research and development, in case that the Company misjudges the development trends of technologies and products, suffers a delay in technological research and development, fails to achieve the expected research and development results, or encounters difficulties in transformation of technological results, the Company's research and development of new technologies and products may end up as a failure, or the marketed new products cannot generate the expected revenue for the Company, which will have an adverse impact on the operating performance of the Company.

Countermeasures: The Company will keep abreast of industry technological dynamics both at home and abroad, gain insight into market trends, reinforce the interconnection between technological R&D and market operation, strengthen market research, and improve innovation capability; continuously strengthen resource support for key areas, enhance external technological cooperation, pool together industry intellectual resources, expedite independent research and development of core technologies and upgrade product quality.

(II) Operating Risk

The Company's overseas operations are exposed to risks from various factors such as the escalating import and export controls and changes in international relations, amid the weakening global economic growth momentum with anti-globalisation and trade protectionism continuing to spread and escalating geopolitical conflicts. The lingering headwinds such as shortage of overseas human resources, tight component supply overseas and the rising project costs might have a negative impact on the existing overseas business operation of the Company. In addition, the Company's overseas projects featuring long execution cycle and strict technical requirements typically follow international standards and local requirements and involve multiple stakeholders, thus posing higher requirements on project execution, progress of works and project management.

Countermeasures: The Company will accurately identify risk areas of its overseas projects, implement rational qualitative and quantitative risk analysis, summarise risk points in execution of overseas projects in a timely manner, develop an overall risk response plan, and regularly follow up the implementation of risk response measures; establish a long-term tracking mechanism for market and project information, and timely obtain project status and make project progress prediction; strengthen communication and contact with project owners, and maintain customer relationships effectively.

Section III Management Discussion and Analysis

(III) Financial Risk

With the progress of our globalisation strategy, the Company continues to enhance efforts in market development, product export, overseas investments, and mergers and acquisitions, which results in various risks arising from fluctuations in exchange rates. For instance, international economic turbulence and unpredictable fluctuation of the foreign exchange market will lead to risks such as losses from assets and liabilities denominated in foreign currencies held by the Company, sales and procurement transactions settled in foreign currencies, as well as increase in cost. In addition, reverse market changes may lead to a higher risk in foreign exchange purchase cost for forward foreign exchange hedging positions.

Countermeasures: The Company will prudently manage its risk appetite, strengthen the risk prevention awareness of relevant personnel, and pay constant attention to the trend of foreign exchange rate movements; establish a whole-process exchange rate risk management mechanism, formulate and implement appropriate foreign exchange risk management plans; and adopt foreign exchange risk management scheme to hedge against foreign exchange risks in the early stage of foreign currency business.

(IV) Industry Risk

In view of the accelerating evolution of new energy vehicle market, new energy vehicle manufacturers showed an accelerating trend of self-production. Addressing the intensifying price competition in automotive parts market, domestic and foreign giants as well as relevant companies might leverage their scale advantages and low-cost strategies to seize market share, compete for the existing and potential customers, and gain market share from others. Our peers may adopt a more aggressive competition approach, taking competitive initiatives such as lower prices and white-box technologies to grab new project orders and thus posing significant competitive pressure. Moreover, the increasingly shorter technology upgrade cycle will pose higher requirements on technology iteration speed and R&D capabilities for the next-generation products.

Countermeasures: The Company will proactively collect information on national policies and industry dynamics, strengthen research on market trends and operation strategies, establish a market risk early warning mechanism, and improve its market operation strategy; according to its market tactics of “spearheading components to seek breakthroughs in system business”, the Company will stabilise its inventory, tap into the potential for volume expansion, and synergise its domestic and overseas operations in multiple dimensions to achieve breakthroughs in overseas market orders; and strengthen technological innovation to enhance product competitiveness continuously.

(V) Macro Environment Risk

Amid the escalating external geopolitical risks and the profound and complicated changes in international security situation, global industrial and supply chains in profound adjustments, coupled with increasing financial market volatilities, have led to heightened downward pressure on world economy. All these add to uncertainties and uncontrollable factors across international markets. The Company’s overseas operations are influenced by international trade policies and the political and economic environment of local countries, which might lead to higher product costs, greater difficulties in securing orders, and challenges in localised project execution.

Countermeasures: The Company will keep abreast of local political, economic and industry information and dynamics of the countries and regions where it operates overseas business, strengthen risk assessment over overseas projects, and effectively preclude risks while expanding into overseas markets.

Section III Management Discussion and Analysis

V. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

The Company closely aligns with major national strategies such as “Nation with Strong Transportation System” and “Carbon Peaking and Carbon Neutrality” with focus on key areas and critical links for revenue growth and profit enhancement. Adhering to the principles of “high-quality development and efficient operations” and upholding the “concentric diversification” strategy, we deeply engage in the rail transit sector while innovatively developing emerging equipment business to achieve steady growth of the Company.

During the reporting period, the Company achieved steady improvement of operating performance with revenue of RMB12.214 billion, representing a year-on-year increase of 17.95%. The Company realised net profit attributable to the parent company of RMB1.672 billion, representing a year-on-year increase of 12.93%, primarily attributable to an increase in operating profit due to the increase in revenue. The Company recorded basic earnings per share of RMB1.21, representing a year-on-year increase of 15.24%, and weighted average rate of return on net assets of 4.14%, representing a year-on-year increase of 0.29 percentage points, primarily attributable to the increase in net profit attributable to the parent company.

(I) Principal Business Analysis

1. Analysis of changes in relevant items in the financial statements

Unit: Yuan Currency: RMB

Account item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Revenue	12,213,971,602	10,355,639,193	17.95
Cost of sales	8,304,208,989	7,495,953,645	10.78
Selling expenses	228,177,596	207,140,673	10.16
Administrative expenses	472,313,764	439,058,995	7.57
Financial expenses	-178,326,863	-77,314,293	Not applicable
R&D expenses	1,214,500,454	959,334,677	26.60
Net cash flow from operating activities	1,879,416,373	651,393,081	188.52
Net cash flow from investing activities	-5,123,370,146	-3,089,824,493	Not applicable
Net cash flow from financing activities	1,132,149,538	4,553,651,586	-75.14

Section III Management Discussion and Analysis

Reasons for changes in revenue: see details of the changes in the table below:

Unit: 100 million Yuan Currency: RMB

Business segment	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Rail transit equipment business	69.11	61.39	12.58
Of which: Rail transit electric equipment business	55.15	49.47	11.48
Rail engineering machinery business	5.63	5.57	1.05
Communication signal business	4.70	4.16	13.11
Other rail transit equipment business	3.63	2.19	65.65
Emerging equipment business	52.44	41.66	25.88
Of which: Basic devices	24.16	18.72	29.12
New energy vehicle electric drive system	9.99	9.86	1.32
New energy power generation	10.47	7.32	42.94
Marine equipment	4.23	4.05	4.37
Industrial converter	3.59	1.71	110.08
Others	0.59	0.51	15.69
Total	122.14	103.56	17.94

Reasons for changes in cost of sales: mainly due to an increase in revenue;

Reasons for changes in selling expenses: mainly due to the increase in salary of marketing staff;

Reasons for changes in administrative expenses: mainly due to the increase in remuneration of management personnel and depreciation and amortization expenses of buildings used for office and administration;

Reasons for changes in finance costs: mainly due to the increase in foreign exchange gain or loss and interest income from cash management;

Reasons for changes in R&D expenses: mainly due to the increase in remuneration of R&D staff and the increase in consumption of R&D materials;

Reasons for changes in net cash flow from operating activities: mainly due to the increase in cash received for sales of goods and provision of services;

Reasons for changes in net cash flow from investment activities: mainly due to the increase in cash paid for investment;

Reasons for changes in net cash flow from financing activities: mainly due to the decrease in cash receipts from capital contributions from minority shareholders of subsidiaries.

2. Detailed explanation of the significant changes in the Company's business types, profit composition or profit sources in the current period

☐ Applicable ☒ Not applicable

Section III Management Discussion and Analysis

(II) Explanation on Material Changes in Profit Caused by Non-principal Business

☐ Applicable ☒ Not applicable

(III) Analysis of Assets and Liabilities

☒ Applicable ☐ Not applicable

1. Assets and liabilities

Unit: Yuan

Item	Closing balance of the current period	Percentage of closing balance of the current period in total assets (%)	Closing balance of the previous year	Percentage of closing balance of the previous year in total assets (%)	Change in closing balance of the current period over the previous year (%)	Note
Held-for-trading financial assets	182,972,219	0.26	3,533,861,455	5.45	-94.82	(1)
Non-current assets due within one year	1,672,608,254	2.42	2,628,347,569	4.06	-36.36	(2)
Construction in progress	1,229,176,438	1.78	2,312,618,688	3.57	-46.85	(3)
Other non-current assets	10,762,742,159	15.56	3,513,755,035	5.42	206.30	(4)
Short-term borrowings	61,216,261	0.09	39,010,667	0.06	56.92	(5)
Employee benefits payable	461,736,678	0.67	226,286,846	0.35	104.05	(6)
Taxes payable	381,650,945	0.55	244,575,367	0.38	56.05	(7)
Other payables	4,473,163,132	6.47	1,869,975,564	2.89	139.21	(8)
Provisions	885,305,160	1.28	611,111,883	0.94	44.87	(9)

Other explanations

- (1) mainly due to maturity of structured deposits during the reporting period;
- (2) mainly due to maturity of certificates of deposit due within one year during the reporting period;
- (3) mainly due to acceptance of construction projects in progress which transferred to fixed assets at the end of the reporting period;
- (4) mainly due to the increase in certificates of deposit with product maturities of over one year and time deposits with maturities of over one year purchased during the reporting period;
- (5) mainly due to the increase in short-term borrowings from external banks during the reporting period;
- (6) mainly due to the outstanding annual bonuses provided based on progress during the reporting period;
- (7) mainly due to unpaid half-year income tax provided for during the reporting period;
- (8) mainly due to the increase in dividends payable as a result of the accrual of cash dividends during the reporting period;
- (9) mainly due to the increase in provision for product quality guarantee deposits during the reporting period.

Section III Management Discussion and Analysis

2. Overseas assets

☒Applicable ☐Not applicable

(1) Asset size

Where: Overseas assets amounted to RMB1,868,111,262, accounting for 2.70% of total assets.

(2) Explanation on the high proportion of overseas assets

☐Applicable ☒Not applicable

Other explanations

Nil

3. Restrictions on major assets as at the end of the reporting period

☒Applicable ☐Not applicable

Please refer to "Section VIII Financial Report – VII. Notes to Key Items of the Consolidated Financial Statements – 22. Assets with Restrictive Ownership Title or Right of Use".

4. Other explanations

☐Applicable ☒Not applicable

(IV) Investment Analysis

1. Overall analysis of external equity investment

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Investment during the reporting period (RMB)	Investment in the same period last year (RMB)	Change
–	47,000,000	-100%

During the reporting period, the Group did not make external equity investments. During the corresponding period last year, the Group made external equity investment in an amount of RMB47,000,000, which represented capital increase in Zhixin Semiconductor Co., Ltd. included in long-term equity investments.

As of the end of the reporting period, balance of the Group's external equity investments reached RMB831,318,001, representing a decrease of 0.95% from RMB839,267,940 at the beginning of the year. In particular, balance of long-term equity investments in associates and joint ventures reached RMB564,494,481, representing a decrease of 1.39% from RMB572,444,420 at the beginning of the year. For details, please refer to "VII. Notes to Key Items of the Consolidated Financial Statements-12. Long-term Equity Investments" in the financial report as set out in Section VIII.

Section III Management Discussion and Analysis

(1) *Material equity investment*

☐ Applicable ☒ Not applicable

(2) *Material non-equity investment*

☐ Applicable ☒ Not applicable

(3) *Financial assets measured at fair value*

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Asset type	Opening amount	Profit or loss from fair value changes in the current period	Accumulated fair value changes included in equity	Impairment provision in the current period	Purchase amount during the current period	Disposal/redemption amount during the current period	Other changes	Closing balance
Held-for-trading financial assets	3,533,861,455	8,109,370	-	-	-	3,340,000,000	-18,998,606	182,972,219
Bills receivable at fair value	1,286,784,981	-	-594,820	-	-	-	86,465,672	1,372,655,833
Trade receivable at fair value	2,534,918,377	-	13,576,676	-	-	-	-478,646,934	2,069,848,119
Other equity instrument investment	266,823,520	-	-	-	-	-	-	266,823,520
Total	7,622,388,333	8,109,370	12,981,856	-	-	3,340,000,000	-411,179,868	3,892,299,691

Securities investment

☐ Applicable ☒ Not applicable

Derivatives investment

☐ Applicable ☒ Not applicable

Section III Management Discussion and Analysis

(4) Investment in private equity investment fund

☐ Applicable ☒ Not applicable

Other explanations

None

(5) Sale of Major Assets and Equity Interests

☐ Applicable ☒ Not applicable

(V) Analysis of Major Subsidiaries and Associates

☒ Applicable ☐ Not applicable

Major subsidiaries and associates contributing over 10% to the Company's net profit

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Company name	Company type	Principal business	Registered capital	Total assets	Net assets	Revenue	Operating profits	Net profits
Zhuzhou CRRC Times Semiconductor Co., Ltd.	Subsidiary	R&D, production and sales of power semiconductor devices	5,647,633,598	16,492,812,979	11,267,375,855	2,440,250,390	441,867,754	441,962,264



Section III Management Discussion and Analysis

Acquisition and disposal of subsidiaries during the reporting period

☐Applicable ☒Not applicable

Other explanations

☐Applicable ☒Not applicable

(VI) Structured Entities Controlled by the Company

☐Applicable ☒Not applicable

VI. OTHER DISCLOSURES

☐Applicable ☒Not applicable

Section IV Corporate Governance, Environment and Society

I. THE CHANGES IN THE COMPANY'S DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICAL PERSONNEL

☒Applicable ☐Not applicable

Name	Position(s) held	Change
Li Lue	Supervisor	Resigned
Geng Jianxin	Supervisor	Resigned
Shen Zhulin	Supervisor	Resigned
Liu Shaojie	Supervisor	Resigned
Zhu Hongjun	Core technician	Resigned
Lv Yang	Core technician	Resigned
Liu Liangjie	Core technician	Resigned
Zhang Min	Core technician	Resigned
Wu Qingli	Core technician	Appointed
Zheng Huaxiong	Core technician	Appointed
Cheng Zhenglin	Core technician	Appointed
Li Cheng	Core technician	Appointed

Explanations on Changes in the Company's Directors, Supervisors, Senior Management and Core Technical Personnel

☒Applicable ☐Not applicable

On 3 March 2025, Mr. Zhu Hongjun, Mr. Lv Yang, Mr. Liu Liangjie and Mr. Zhang Min were no longer recognised as core technicians of the Company due to work post adjustment and division of duties. Meanwhile, Mr. Wu Qingli, Mr. Zheng Huaxiong, Mr. Cheng Zhenglin and Mr. Li Cheng were newly recognised as core technicians of the Company.

With effect from 28 March 2025, (i) Ms. Cheung Lai Ha resigned as the company secretary; and (ii) Ms. Long Furong and Ms. Leung Hoi Yan were appointed as the joint company secretaries.

With effect from 29 April 2025, (i) Ms. Feng Xiaoyun, an independent non-executive Director, has been appointed as a member of the nomination committee of the Board (the "Nomination Committee") and ceased to be a member of the remuneration committee of the Board (the "Remuneration Committee"); and (ii) Mr. Zhong Ninghua, an independent non-executive Director, has been appointed as a member of the Remuneration Committee and ceased to be a member of the Nomination Committee.

With effect from 27 June 2025, the Company abolished the Supervisory Committee and the position of Supervisors, and Mr. Li Lue, Mr. Geng Jianxin, Mr. Shen Zhulin and Mr. Liu Shaojie ceased to serve as Supervisors.

Explanation on Certification of Core Technicians of the Company

☐Applicable ☒Not applicable

Section IV Corporate Governance, Environment and Society

II. PLAN FOR DISTRIBUTION OF PROFITS OR TRANSFER OF CAPITAL RESERVE FUND INTO SHARE CAPITAL

Plan for Distribution of Profits or Transfer of Capital Reserve Fund into Share Capital Determined for the Interim Period

Whether to distribute profit or transfer capital reserve fund into share capital	Yes
Bonus shares for every 10 shares (share)	–
Profit declared for every 10 shares (RMB) (tax inclusive)	4.40
Transfer of capital reserve fund into share capital for every 10 shares (share)	–
Explanations on plan for distribution of profits or transfer of capital reserve fund into share capital	

The Company proposes to distribute cash dividends to the Shareholders based on the total number of Shares determined on the record date fixed for the equity distribution which will be specified in the equity distribution implementation announcement. The Company proposes to distribute cash dividends of RMB4.40 (tax inclusive) for every ten Shares held by Shareholders, totaling RMB597,497,301.28 based on the total share capital of the Company of 1,357,948,412 shares as at 30 June 2025, accounting for 35.75% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for the first half of 2025. In case of any change in the total share capital of the Company from the date of the profit distribution announcement to the record date for implementation of the equity distribution, the Company proposes to maintain the payout ratio per Share unchanged, make corresponding adjustments to the total payout amount, and will publish separate announcement(s) on the specific adjustments. The above profit distribution plan has been considered and approved at the 20th meeting of the seventh session of the Board. This matter has been authorized at the 2024 annual general meeting held on 27 June 2025 and is not subject to consideration at the general meeting of the Company.

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

(I) Relevant Incentive Events Disclosed in the Temporary Announcements and with no Progress or Change in Subsequent Implementation

☐ Applicable ☒ Not applicable

Section IV Corporate Governance, Environment and Society

(II) Incentives which were not Disclosed in the Temporary Announcements or with Subsequent Progress

Information on share incentive

☐Applicable ☒Not applicable

Other explanations

☐Applicable ☒Not applicable

Employee stock ownership plan

☐Applicable ☒Not applicable

Other incentive measures

☐Applicable ☒Not applicable

IV. INFORMATION ABOUT EMPLOYEES OF THE COMPANY AND THEIR REMUNERATIONS AND TRAININGS

During the reporting period, there was no significant change in the Group's total workforce, employee composition and their remunerations and trainings as compared with those disclosed in the 2024 annual report.

V. INFORMATION ABOUT CORPORATE GOVERNANCE

(I) Corporate Governance Practice

The Company has always been dedicated to improving the quality of its corporate governance, and maximising long-term value to the shareholders by increasing the Group's accountability and transparency through strict implementation of corporate governance practices.

To ensure that the Company earnestly fulfills its duties and responsibilities under the SEHK Listing Rules, the Company has formulated effective corporate supervision structure and reviews and improves its internal control and corporate governance mechanism from time to time.

The Company also effectively carries out information disclosure and investor relations management and services in strict accordance with the Articles of Association, rules of procedures of special committees under the Board, the Company Law and relevant laws, regulations and regulatory documents, as well as requirements of the Hong Kong Stock Exchange.

Section IV Corporate Governance, Environment and Society

The Company has established a corporate governance system in accordance with the Corporate Governance Code (the “CG Code” or “Code”) as set out in Appendix C1 to the Hong Kong Listing Rules. In certain aspects, the CG Code adopted by the Company is more stringent than the code provisions set out in the Code. Having reviewed the documents in relation to corporate governance adopted by the Company, the Board considers that the Company has met the principles, code provisions and certain recommended best practices set out in the Code during the reporting period.

Pursuant to code provision F.1.3 of the CG Code, the chairman of the board should invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. In the absence of any committee chairman, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. Although Mr. Shang Jing, the chairman of the risk control committee of the Board (the “Risk Control Committee”), was unable to attend the annual general meeting of the Company held on 27 June 2025 due to other business engagements, there were sufficient Directors (including other members of the Risk Control Committee) present to ensure that they are available to answer relevant questions at the annual general meeting.

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

As at 30 June 2025, none of the Directors or chief executives of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she/it is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the SEHK Listing Rules (the “Model Code”), to be notified to the Company and the Hong Kong Stock Exchange.

(III) Securities Transactions by Directors and Former Supervisors

The Company has adopted a code of conduct no less exacting than that as provided in the Model Code as the code of conduct for all the Directors (and supervisors, if applicable) trading securities of the Company (“code of conduct”). Having made specific enquiry to all the Directors and persons who served as supervisors during the reporting period (who ceased to serve as supervisors on 27 June 2025) (“former supervisors”), all of them have confirmed that they have complied with the standards as stipulated by the code of conduct for the six months period ended 30 June 2025.

Section IV Corporate Governance, Environment and Society

(IV) Purchase, Sale or Redemption of Listed Securities of the Company

During the reporting period, the Company repurchased a total of 44,371,600 H Shares in the Share capital with a nominal value of RMB1 each on the Hong Kong Stock Exchange, at a total consideration of approximately HK\$1,369,771,356.02 (excluding transaction expenses). Details are as follows:

Month of repurchase	Number of H Shares repurchased	Highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Total consideration (excluding transaction expenses) (HK\$)
January 2025	12,351,200	32.6	29.05	371,044,003.86
February 2025	20,629,100	32.2	28.8	628,782,940.65
April 2025	1,295,000	32.0	30.5	40,254,427.50
May 2025	9,485,500	33.2	31.25	309,541,394.54
June 2025	610,800	33.2	32.35	20,148,589.47

37,313,100 H Shares repurchased by the Company from 17 December 2024 to 20 February 2025 were cancelled on 26 February 2025; and 11,391,300 H Shares repurchased from 30 April 2025 to 5 June 2025 were cancelled on 19 June 2025.

Save as disclosed in this interim report, during the reporting period and up to the date of this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares as defined under the Hong Kong Listing Rules). As at 30 June 2025, the Company did not hold any of such treasury shares.

Given that the repurchase of H Shares will improve net asset value per share and earnings per share of the Group and thus benefit the shareholders as a whole, shareholders approved a general mandate at the Company's annual general meeting, the A Share class meeting and H Share class meetings held on 27 June 2024, pursuant to which the Directors repurchased the H Shares.

(V) Review of the Interim Report by the Audit Committee

The Audit Committee of the Company currently comprises four independent non-executive Directors, being Mr. Lam Siu Fung, Mr. Li Kaiguo, Mr. Zhong Ninghua and Ms. Feng Xiaoyun. Mr. Lam Siu Fung serves as the chairman of the Audit Committee.

The Audit Committee of the Company has reviewed the Group's unaudited interim condensed consolidated financial statements together with the management of the Company, with no disagreement with the accounting treatment adopted by the Group, and reviewed the interim report for the six months ended 30 June 2025 prepared under the PRC Accounting Standards, and was satisfied that the unaudited interim condensed consolidated financial statements and the interim report complied with applicable accounting standards, relevant regulatory and legal requirements, and sufficient disclosure has been made.

Section IV Corporate Governance, Environment and Society

VI. ENVIRONMENTAL INFORMATION DISCLOSURE OF THE LISTED COMPANY AND ITS MAJOR SUBSIDIARIES INCLUDED IN THE STATUTORY ENVIRONMENTAL DISCLOSURE LIST

☒Applicable ☐Not applicable

Number of companies included in the statutory environmental disclosure list

2

No.	Company name	Inquiry index for statutory disclosure reports on environmental information
1	Zhuzhou CRRC Times Semiconductor Co., Ltd.	System for Statutory Disclosure of Enterprise Environmental Information (Hunan)
2	Baoji CRRC Times Engineering Machinery Co., Ltd.	System for Statutory Disclosure of Enterprise Environmental Information (Shaanxi)

Other explanations

☐Applicable ☒Not applicable

VII. DETAILS ON CONSOLIDATION AND EXPANSION OF ACHIEVEMENTS OF POVERTY ALLEVIATION AND INFORMATION ABOUT RURAL REVITALISATION

☐Applicable ☒Not applicable

Section V Significant Events

I. THE PERFORMANCE OF UNDERTAKINGS

(I) Undertakings during or carried forward to the reporting period by the Company's actual controller, shareholders, related parties, acquirers and the Company and other relevant parties

✓ Applicable ☐ Not applicable

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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Undertakings associated with the initial public offering	Restricted shares	CRRC Group	CRRC Group has given the following undertakings in respect of shares lock-up: 1. within 36 months from the date of the A Shares Issue and Listing of Times Electric, Times Electric's domestic shares (transferred into A Shares upon the A Shares Issue and Listing, not including the A Shares newly purchased from the public market after the A Shares Issue and Listing of Times Electric, hereinafter referred to as the "Above Shares") directly or indirectly held by the group prior to the A Shares Issue and Listing shall not be transferred or entrusted to others for management, nor shall Times Electric be proposed to repurchase the Above Shares; 2. if the group reduces its holdings in the Above Shares directly or indirectly held by it within two years from the expiration of the lock-up period, the reduction price shall not be lower than the issue price. If the closing price of the A Shares for 20 consecutive trading days (except for all-day suspension of Times Electric's A Shares) is lower than the issue price of the A Shares Issue and Listing within six months after the A Shares Issue and Listing of Times Electric, or the closing price as at the end of six months after the A Shares Issue and Listing (if the day is not a trading day, it is the first trading day after that day) is lower than the issue price of the A Shares Issue and Listing, the lock-up period of the Above Shares directly or indirectly held by the group will be automatically extended for six months after the expiration of the above lock-up period. The issue price refers to the issue price of the A Shares Issue and Listing of Times Electric. If Times Electric performs ex-right and ex-dividend for reasons such as profit distribution, conversion of the reserve into share capital, additional issuance, placement etc. after the A Shares Issue and Listing, it shall do so in accordance with the relevant provisions of the Shanghai Stock Exchange; 3. if relevant laws, regulations and regulatory documents or securities regulatory authorities such as China Securities Regulatory Commission and Shanghai Stock Exchange have other requirements for the lock-up period of shares, the group agrees to adjust the lock-up period of the Above Shares directly or indirectly held by it accordingly; and 4. the group undertakes to assume all the loss caused to Times Electric and companies under its control and indemnify them for breaches of the above undertakings or relevant laws, regulations and regulatory documents.	28 December 2020	Yes	within 36 months from the date of the listing of Times Electric's A Shares	Yes	-	-
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Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Restricted shares	CRRC ZELRI, CRRC Zhuzhou, CRRC Investment & Leasing	<p>CRRC ZELRI, CRRC Zhuzhou and CRRC Investment & Leasing have given the following undertakings in respect of shares lock-up: 1. within 36 months from the date of the A Shares Issue and Listing of Times Electric, Times Electric's domestic shares (transferred into A Shares upon the A Shares Issue and Listing, not including the A shares newly purchased by the company from the public market after the A Shares Issue and Listing of Times Electric, hereinafter referred to as the "Above Shares") directly or indirectly held by the company prior to the A Shares Issue and Listing shall not be transferred or entrusted to others for management, nor shall Times Electric be proposed to repurchase the Above Shares; 2. if the company reduces its holdings in the Above Shares held by it within two years from the expiration of the lock-up period, the reduction price shall not be lower than the issue price. If the closing price of the A Shares for 20 consecutive trading days (except for all-day suspension of Times Electric's A Shares) is lower than the issue price of the A Shares Issue and Listing within six months after the A Shares Issue and Listing of Times Electric, or the closing price as at the end of six months after the A Shares Issue and Listing (if the day is not a trading day, it is the first trading day after that day) is lower than the issue price of the A Shares Issue and Listing, the lock-up period of the Above Shares held by the company will be automatically extended for six months after the expiration of the above lock-up period. The issue price refers to the issue price of the A Shares Issue and Listing of Times Electric. If Times Electric performs ex-right and ex-dividend for reasons such as profit distribution, conversion of the reserve into share capital, additional issuance, placement etc. after the A Shares Issue and Listing, it shall do so in accordance with the relevant provisions of the Shanghai Stock Exchange; 3. if relevant laws, regulations and regulatory documents or securities regulatory authorities such as China Securities Regulatory Commission and Shanghai Stock Exchange have other requirements for the lock-up period of shares, the company agrees to adjust the lock-up period of the Above Shares held by it accordingly; and 4. the company undertakes to assume all the loss caused by Times Electric and companies under its control and indemnify them for breaches of the above undertakings or relevant laws, regulations and regulatory documents.</p>	28 December 2020	Yes	Yes	-	-
						within 36 months from the date of the listing of Times Electric's A Shares		

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC ZELRI, CRRC Zhuzhou, CRRC Investment & Leasing	<p>CRRC ZELRI, CRRC Zhuzhou and CRRC Investment & Leasing have given the following undertakings in respect of intention of shareholding reduction: 1. the company will implement the relevant share lock-up matters in strict accordance with relevant laws and regulations, regulatory documents, requirements of securities regulatory authorities, and relevant undertakings given by the company;</p> <p>2. after the expiration of the lock-up period, the company will, according to its own needs, reduce its holdings of Times Electric's A Shares through methods such as centralised price bidding, block trade and transfer by agreement in accordance with relevant laws, regulations and regulatory documents in force at that time; 3. if the company reduces its holding of Times Electric's A Shares within two years from the expiration of the lock-up period, the total number of Times Electric's A Shares transferred each year shall not exceed the limit under relevant laws, regulations and regulatory documents in force at that time, and the reduction price shall not be lower than the issue price of the A Shares Issue and Listing of Times Electric. If Times Electric performs ex-right and ex-dividend for dividend payment, bonus issue, conversion of the reserve into share capital, additional issuance, placement etc. after the A Shares Issue and Listing and before the shareholding reduction of the company, the lower limit of the reduction price and the number of shares shall be adjusted accordingly; 4. when the company reduces its holdings in A Shares of Times Electric, it will publish an announcement in respect of the specific reduction plan in accordance with the law, and comply with relevant reduction methods, reduction ratio, reduction price, information disclosure and other requirements in accordance with relevant laws and regulations and regulatory documents such as the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (Shang Zheng Fa [2019] No. 22), the Several Provisions on Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies (China Securities Regulatory Commission Announcement [2017] No. 9) and the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies (Shang Zheng Fa [2017] No. 24), so as to ensure the reduction of Times Electric's A Shares complies with requirements of China Securities Regulatory Commission and Shanghai Stock Exchange; and 5. the company will strictly comply with the above undertakings, if the company reduces its holding of Times Electric's A Shares in breach of the above undertakings, the company will voluntarily turn over the proceeds from the reduction to Times Electric and agree that such proceeds shall belong to Times Electric. If the company fails to hand over the above-mentioned proceeds from irregular shareholding reduction to Times Electric, Times Electric shall have the right to withhold from the cash dividends payable to the company an amount equal to the company's proceeds from irregular shareholding reduction that should be turned over to it.</p>	28 December 2020	Yes	Yes	-	-
						long-term effective		

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		The Company, CRRZ ZELRI and the Company's Directors	The Company, CRRZ ZELRI (one of the controlling shareholders) and the Company's Directors (excluding independent non-executive Directors) and senior management have given the following undertakings in respect of A Shares price stabilisation measures:	28 December 2020	Yes	Yes	-	-
I. Conditions for Activation and Cessation of the Share Price Stabilisation Measures								
<p>1. Conditions for Activation of the Share Price Stabilisation Measures</p> <p>During the three years from the date of the A Shares Issue and Listing of the Company, other than as a result of force majeure, the implementation of the share price stabilisation measures by the Company and the relevant entities will be triggered when the daily closing price of the Company's A shares is lower than the publicly disclosed latest audited net assets per share of the Company (after the reference date of the latest audit, should there be any change in the net assets or the total number of shares of the Company as a result of matters such as profit allocation, capitalisation of capital reserve, issue of additional shares and placing, the net assets per share shall be adjusted accordingly, the same hereinafter) for 20 consecutive trading days (except for trading days on which trading of A shares of the Company is suspended for the whole day, the same hereinafter) while the requirements of the relevant laws, regulations and regulatory documents regarding the relevant repurchase and increase of the shareholding in the Company are satisfied.</p>								
<p>2. Conditions for Cessation of the Share Price Stabilisation Measures</p> <p>Upon satisfaction of the conditions for activation of the share price stabilisation measures, in the event that any of the following circumstances occurs, the formulated or announced share price stabilisation measures shall be terminated, and the share price stabilisation measures which have begun implementation shall be deemed to have been completed without the need for further implementation: 1. during or before the implementation of the specific share price stabilisation measures in the undertaking, where the closing price of the Company's A Shares is not lower than the latest audited net asset per share of the Company for five consecutive trading days; 2. continued implementation of the share price stabilisation measures will result in non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where shares of the Company are listed or violation of the relevant prohibitive regulations in force at the time, or the shareholding increase in the Company will trigger the general takeover bid obligations.</p>								

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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II. Specific Measures of the Share Price Stabilisation Plan

Upon satisfaction of the conditions for activation of the share price stabilisation measures, depending on the actual circumstances of the Company and the stock market, the share price stabilisation measures may be implemented in the following priority: 1. increase of shareholding in A Shares of the Company by the controlling shareholders of the Company; 2. repurchase of A Shares by the Company; 3. increase of shareholding in A Shares of the Company by the directors of the Company (excluding independent non-executive Directors, the same hereinafter) and the senior management of the Company.

- Share Price Stabilisation Measures by the Controlling Shareholders of the Company
 - Where the controlling shareholders increase shareholding in A Shares for the purpose of share price stabilisation, they shall do so in compliance with the provisions of the relevant laws, regulations and regulatory documents, including the Measures for the Administration of Acquisition of Listed Companies (《上市公司收购管理办法》) and the Guidelines on Shareholding Increase by Shareholders and Parties Acting in Concert of Listed Companies (《上市公司股东及其一致行动人增持股份行为指引》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.
 - Should the conditions for activating the share price stabilisation measures arise, the controlling shareholders of the Company shall notify the Company in writing of whether there is a specific plan to increase shareholding in A Shares of the Company within 20 trading days after the conditions for activation of the share price stabilisation measures are triggered, and the Company shall publish announcement(s) in this regard. If there is a specific plan, information such as the quantity of the shareholding in A Shares proposed to be increased, price range, source of capital, method and completion schedule shall be disclosed, and the total amount of proposed increase shall not be less than RMB100 million.

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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2. Share Price Stabilisation Measures by the Company
 - (1) Where the Company repurchases A Shares for the purpose of A Shares price stabilisation, it shall do so in compliance with the relevant laws, regulations and regulatory documents, including the Administrative Measures for Repurchase of Public Shares by Listed Companies (Trial) (《上市公司回购社会公众股份管理办法(试行)》), the Supplementary Provisions on Share Repurchases by Listed Companies through Centralised Bidding (《關於上市公司以集中競價交易方式回購股份的補充規定》), the Opinions on Supporting Share Repurchase by Listed Companies (《關於支持上市公司回購股份的意見》) and the Detailed Rules for the Implementation of Share Repurchase by Listed Companies on Shanghai Stock Exchange (《上海證券交易所上市公司回購股份實施細則》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.
 - (2) If the controlling shareholders fail to notify the aforementioned specific plan for shareholding increase in A Shares as scheduled, or explicitly indicates that there is no plan for shareholding increase in A Shares, the board of directors of the Company will announce whether there is a specific A Shares repurchase plan within 20 trading days after the conditions for activation of the share price stabilisation measures are triggered for the first time. If so, such information as the quantity of A Shares proposed to be repurchased shall be disclosed, price range, source of capital, completion schedule, etc. of the shares to be repurchased, and the total amount of such repurchase shall not be less than RMB100 million. The Company shall implement the share price stabilisation measures after performing the relevant procedures stipulated in relevant laws, regulations and regulatory documents and obtaining the necessary approval.

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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3. Share Price Stabilisation Measures by the Directors and Senior Management of the Company

(1) Where the Directors and senior management of the Company increase shareholding in A Shares for the purpose of A Shares price stabilisation, they shall do so in compliance with the conditions and requirements of the laws, regulations and regulatory documents, including the Measures for the Administration of Acquisition of Listed Companies (《上市公司收購管理辦法》) and the Rules for the Administration of Shares and Changes in Shares Held by Directors, Supervisors and Senior Management of Listed Companies (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.

(2) If the Board of Directors of the Company fails to announce the aforementioned A Shares

repurchase plan as scheduled, or the aforementioned A Shares repurchase plan fails to be passed at the Board meeting or the general meeting due to various reasons, subject to compliance with the laws, regulations, the listing rules of the place(s) where shares of the Company are listed and relevant policy requirements, the then Directors and senior management of the Company shall, within 30 trading days (if there are N trading days during which the Directors and senior management are restricted from acquiring and selling A Shares, then the Directors and senior management shall, within 30+N trading days) after the conditions for activation of the A Share price stabilisation measures are triggered or within 10 trading days (if there are N trading days during which the Directors and senior management are restricted from acquiring and selling A Shares, then the Directors and senior management shall, within 10+N trading days) after the aforementioned A Share repurchase plan fails to be passed at the Board meeting or the general meeting, notify the Company in writing of the specific plan for shareholding increase in A Shares, and the Company shall publish announcement(s) on information including but not limited to the quantity of the shareholding in A Shares proposed to be increased, price range and completion schedule. The respective accumulated amount for shareholding increase by Directors and senior management shall not be less than 10% of their total remuneration (after tax) received from the Company in the previous year.

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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- (3) The Directors and senior management personnel newly appointed by the Company within three years from the date of the A Shares Issue and Listing shall perform relevant obligations in accordance with the undertakings in respect of share price stabilisation given by the Directors and senior management as to the A Shares Issue and Listing.
4. The purpose of the Company's A Shares price stabilisation measures is not for the share price to exceed the net asset per share. Within 120 trading days after the implementation of the A Shares price stabilisation measures, the obligations of the controlling shareholders, the Company, the directors and senior management to increase their shareholdings in A Shares or repurchase will be automatically relieved. Commencing from the 121st trading day after the fulfilment of any discretionary increase or repurchase measures specified in the preceding three paragraphs, if the activation conditions for share price stabilisation measures are triggered again, the controlling shareholders, the Company, the Directors and senior management personnel will activate the next round of specific A Share price stabilisation measures according to the provisions of the preceding paragraphs.
5. The controlling shareholders, the Company, the Directors and senior management shall, when performing their repurchase or shareholding increase obligations of A Shares, fulfil the corresponding information disclosure obligations in accordance with the relevant laws, regulations, the listing rules of the place(s) where shares of the Company are listed and other applicable regulatory provisions, and shall comply with the relevant stipulations such as the regulation of state-owned assets.

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
III. Relevant Restraint Measures								
1. Restraint Measures for Violation of the Undertakings by the Controlling Shareholders of the Company								
<p>If the specific plan for the increase of shareholding in A Shares by the controlling shareholders of the Company has been announced but cannot be actually implemented due to subjective reasons, the Company shall withhold the cash dividends payable to the controlling shareholders in the amount equal to shareholding increase obligations of A Shares of such controlling shareholders, until the controlling shareholders have fulfilled their obligations for shareholding increase in A Shares. At the same time, the A Shares of the Company held by the controlling shareholders shall not be transferred until the controlling shareholders have adopted and implemented the corresponding A Shares price stabilisation measures in accordance with the provisions of the undertakings.</p>								
2. Restraint Measures for Violation of the Undertakings by the Company								
<p>If the Company has announced the A Shares repurchase plan of the Company but fails to actually implement it due to subjective reasons, the Company shall bear corresponding responsibilities according to the relevant laws, administrative regulations, departmental rules and regulations as well as the provisions of the listing rules of the place(s) where shares of the Company are listed and the requirements of regulatory authorities.</p>								
3. Restraint Measures for Violation of the Undertakings by the Directors and Senior Management of the Company								
<p>If the Directors and senior management of the Company fail to fulfil their obligations to increase their shareholdings in A Shares as agreed in the undertakings due to subjective reasons during their tenure, the Company shall freeze 30% of the monthly salary and cash dividends (if any) of the relevant personnel from the month when they fail to fulfil their agreed obligations and the accumulated frozen amount shall equal the amount payable to fulfil their obligations to increase their shareholdings in A Shares, until the relevant Directors and senior management have implemented and completed the corresponding share price stabilisation measures stipulated under the undertakings.</p>								

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
			<p>4. If the controlling shareholders, the Company, the Directors and senior management cannot fulfill their obligations of shareholding increase in A Shares or share repurchase within a certain period of time due to the minimum shareholding ratio of A Shares by public shareholders stipulated in the securities regulatory regulations such as the listing rules of the place(s) where the Company's shares are listed or other relevant prohibitive regulations, the relevant responsible subjects may be exempted from the aforementioned restraint measures, but other measures shall be actively taken to stabilise the price of the A Shares.</p>					
Others		The Company	<p>The Company's Measures and Undertakings in respect of Share Repurchase and Share Buy-back</p> <p>The issuer has given the following undertakings in respect of share repurchase and share buy-back:</p> <ol style="list-style-type: none"> 1. The Company undertakes that there are no false records, misleading statements or material omissions in the prospectus and other information disclosure materials of the Issuance, and shall bear corresponding legal responsibilities for its authenticity, accuracy and completeness. 2. In case of false records, misleading statements or material omissions in the prospectus and other information disclosure materials, or fraudulence in seeking approval on an originally unqualified IPO application which results in losses to shareholders and social public investors in trading securities of the Company, the Company shall bear civil compensation liabilities and compensate shareholders and social public investors for losses in accordance with the provisions of relevant laws, regulations and regulatory documents based on the final decision or effective judgment of the CSRC or the people's court and other competent departments. 3. Where the CSRC, Shanghai Stock Exchange or other competent departments determine that the information of the prospectus and other information disclosure materials contains any false records, misleading statements or material omissions which have a significant and substantial impact on judging whether the Company meets the issuance and listing conditions stipulated in laws, regulations and regulatory documents, the Company undertakes to repurchase all the A Shares issued under the Issuance in the manners set out below: 	28 December 2020	Yes	Yes	-	-
						long-term effective		

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
			<p>(1) To the extent as permitted by law, if the above-mentioned circumstances occur during the period when the A Shares under the issuance have been issued but yet to be listed, the Company shall repurchase all the A Shares issued by the Company from online successful subscribers and offline placement participants at the issue price plus the interest accrued thereon at the current bank deposit rate within 5 business days from the date on which the CSRC, Shanghai Stock Exchange or other competent departments determine that the above-mentioned circumstances have occurred to the Company.</p> <p>(2) To the extent as permitted by law, if the above-mentioned circumstances occur after the A Shares have been issued and listed, the Board of directors of the Company shall initiate the procedures for share repurchase within 10 business days from the date on which the CSRC, Shanghai Stock Exchange or other competent departments determine that the above-mentioned circumstances have occurred to the Company, to repurchase all the A Shares issued by the Company in accordance with the applicable laws, regulations, regulatory documents and the articles of association of the Company, at a price not lower than the issue price plus the interest accrued thereon at the current bank deposit rate during the relevant period from the date of issuance to the date of repurchase or other prices recognised by the CSRC (such prices shall be adjusted accordingly in case of ex-right and ex-dividend such as dividends, payout, bonus issue, transfer of capital reserve fund to share capital and rights issue).</p> <p>In the event that the aforesaid undertakings fail to be fulfilled, explicitly cannot be fulfilled or cannot be fulfilled on schedule, the Company shall publicly explain the specific reasons for such failure in the media designated by the CSRC, and apologise to shareholders and public investors. Shareholders and public investors shall have the right to require the Company to fulfill its undertakings through legal channels. If the Company fails to fulfill its undertakings and thus causes losses to shareholders and public investors, the Company shall make compensations according to law.</p>					

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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| Others | CRRIC ZELRI | CRRIC ZELRI | <p>CRRIC ZELRI has given the following undertakings in respect of share repurchase and share buy-back:</p> <ol style="list-style-type: none"> 1. There are no false records, misleading statements or material omissions in the prospectus and other information disclosure materials of the Issuance of Times Electric, and the company shall bear corresponding legal responsibilities for its authenticity, accuracy and completeness. 2. In case of false records, misleading statements or material omissions in the prospectus and other information disclosure materials of Times Electric, or fraudulence in seeking approval on an originally unqualified IPO application which results in losses to other shareholders and social public investors in trading securities of Times Electric, the company shall bear civil compensation liabilities and compensate other shareholders and social public investors for losses in accordance with the provisions of relevant laws, regulations and regulatory documents based on the final decision or effective judgment of the CSRC or the people's court and other competent departments. 3. Where the CSRC, Shanghai Stock Exchange or other competent departments determine that the information of the prospectus and other information disclosure materials of Times Electric contains any false records, misleading statements or material omissions which have a significant and substantial impact on judging whether Times Electric meets the issuance and listing conditions stipulated in laws, regulations and regulatory documents, the company shall use its controlling shareholder status to urge Times Electric to repurchase all A Shares of Times Electric under the issuance in accordance with the law. | 28 December 2020 | Yes | long-term effective | Yes | - |
|--------|-------------|-------------|---|------------------|-----|---------------------|-----|---|

In the event that the aforesaid undertakings fail to be fulfilled, explicitly cannot be fulfilled or cannot be fulfilled on schedule, the company shall publicly explain the specific reasons for such failure in the media designated by the CSRC, and apologise to other shareholders of Times Electric and public investors. Other shareholders of Times Electric and public investors shall have the right to require the company to fulfill its undertakings through legal channels. If the company fails to fulfill its undertakings and thus causes losses to other shareholders of Times Electric and public investors, the company shall make compensations according to law.

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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Others

CRRC Group

CRRC Group has given the following undertakings in respect of share repurchase and share buy-back:

1. There are no false records, misleading statements or material omissions in the prospectus and other information disclosure materials of the Issuance of Times Electric, and the group shall bear corresponding legal responsibilities for its authenticity, accuracy and completeness.

2. In case of false records, misleading statements or material omissions in the prospectus and other information disclosure materials of Times Electric, or fraudulence in seeking approval on an originally unqualified IPO application which results in losses to shareholders of Times Electric and social public investors in trading securities of Times Electric, the group shall bear civil compensation liabilities and compensate shareholders of Times Electric and social public investors for losses in accordance with the provisions of relevant laws, regulations and regulatory documents based on the final decision or effective judgment of the CSRC or the people's court and other competent departments.

3. Where the CSRC, Shanghai Stock Exchange or other competent departments determine that the information of the prospectus and other information disclosure materials of Times Electric contains any false records, misleading statements or material omissions which have a significant and substantial impact on judging whether Times Electric meets the issuance and listing conditions stipulated in laws, regulations and regulatory documents, the group will urge Times Electric to repurchase all A Shares of Times Electric under the Issuance in accordance with the law.

In the event that the aforesaid undertakings fail to be fulfilled, explicitly cannot be fulfilled or cannot be fulfilled on schedule, the group shall publicly explain the specific reasons for such failure in the media designated by the CSRC, and apologise to shareholders of Times Electric and public investors. Shareholders of Times Electric and public investors shall have the right to require the group to fulfill its undertakings through legal channels. If the group fails to fulfill its undertakings and thus causes losses to shareholders of Times Electric and public investors, the group shall make compensations according to law.

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		The Company	<p>The Company has given the following undertakings in respect of no-fraud in the issuance and listing.</p> <ol style="list-style-type: none"> 1. The Company guarantees that there is no fraud in the issuance. 2. In the event that the Company does not meet the issuance and listing conditions, seeks approval on an originally unqualified IPO application and has completed issuance and listing, the Company shall initiate the share repurchase procedure within 5 business days after confirmation by the China Securities Regulatory Commission and other competent departments to repurchase all the new shares under the public offering of the Company. 	28 December 2020	Yes	Yes	-	-
Others		CRRC ZELRI	<p>CRRC ZELRI has given the following undertakings in respect of no-fraud in the issuance and listing.</p> <ol style="list-style-type: none"> 1. The company guarantees that there is no fraud in the issuance of Times Electric. 2. In the event that Times Electric does not meet the issuance and listing conditions, seeks approval on an originally unqualified IPO application and has completed issuance and listing, the company shall initiate the share repurchase procedure within 5 business days after confirmation by the China Securities Regulatory Commission and other competent departments to repurchase all the new shares under the public offering of Times Electric. 	28 December 2020	Yes	Yes	-	-
Others		CRRC Group	<p>CRRC Group has given the following undertakings in respect of no-fraud in the issuance and listing.</p> <ol style="list-style-type: none"> 1. The group guarantees that there is no fraud in the issuance of Times Electric. 2. In the event that Times Electric does not meet the issuance and listing conditions, seeks approval on an originally unqualified IPO application and has completed issuance and listing, the group shall initiate the share repurchase procedure within 5 business days after confirmation by the China Securities Regulatory Commission and other competent departments to repurchase all the new shares under the public offering of Times Electric. 	28 December 2020	Yes	Yes	-	-

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		The Company	The Company has given the following undertaking in respect of remedial measures for dilution of immediate returns as a result of the issue and listing: the Company undertakes that it will adopt measures after the A Shares issue and listing to continuously strengthen technological research and development and product innovation, improve operation and management efficiency, strengthen management over the raised proceeds, reinforce investor return mechanism, increase sales revenue and future yields and enhance shareholder returns, so as to remedy the dilution of immediate returns due to the A Shares Issue and Listing.	28 December 2020	Yes	long-term effective	Yes	-	-
Others		CRRC ZELRI	CRRC ZELRI has given the following undertakings on the remedial measures for dilution of immediate returns in respect of the Issue and Listing: 1. The company will strictly implement various laws, regulations and rules on the governance of listed companies to protect the interests of Times Electric and the public shareholders, and will not overstep their authority to interfere with the operation and management activities of Times Electric. 2. The company undertakes not to encroach on the interests of Times Electric in any way, and will abide by relevant laws and regulations and regulatory documents. 3. The company undertakes to strictly perform the above undertakings given by it. If the company has violated the undertakings or refuse to perform the undertakings, the company will perform explanation, apology and other corresponding obligations in accordance with the Guidance on Matters Related to Dilution of Immediate Returns as a result of Initial Issue, Refinancing and Major Asset Reorganisation (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) and other relevant regulations, and agrees to the regulatory measures or self-discipline regulatory measures made by China Securities Regulatory Commission, Shanghai Stock Exchange and China Association for Public Companies in accordance with the law. If losses are caused to Times Electric or other shareholders of Times Electric, the company is willing to be liable for corresponding compensation liabilities according to law.	28 December 2020	Yes	long-term effective	Yes	-	-

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC Group	CRRC Group has given the following undertakings on the remedial measures for dilution of immediate returns in respect of the Issue and Listing: 1. The group will strictly implement various laws, regulations and rules on the governance of listed companies to protect the interests of Times Electric and the public shareholders, and will not overstep their authority to interfere with the operation and management activities of Times Electric. 2. The group undertakes not to encroach on the interests of Times Electric in any way, and will abide by relevant laws and regulations and regulatory documents. 3. The group undertakes to strictly perform the above undertakings given by it. If the group has violated the undertakings or refuse to perform the undertakings, the group will perform explanation, apology and other corresponding obligations in accordance with the Guidance on Matters Related to Dilution of Immediate Returns as a result of Initial Issue, Refinancing and Major Asset Reorganisation (《關於首次公開發行、重大資產重組籌備期間回報有關事項的指導意見》) and other relevant regulations, and agrees to the regulatory measures or self-discipline regulatory measures made by China Securities Regulatory Commission, Shanghai Stock Exchange and China Association for Public Companies in accordance with the law. If losses are caused to Times Electric or shareholders of Times Electric, the group is willing to be liable for corresponding compensation liabilities according to law.	28 December 2020	Yes	long-term effective	-	-

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		The Directors and senior management of the Company	<p>The Directors and senior management of the Company have given the following undertakings on the remedial measures for dilution of immediate returns in respect of the Issue and Listing:</p> <ol style="list-style-type: none"> undertake not to transfer benefits to other units or individuals free of charge or under unfair conditions, and not to damage the Company's interests by other means; undertake to restrict the job-related consumptions by directors and senior management; undertake not to appropriate the Company's assets to engage in investment and consumption activities unrelated to the performance of their duties; undertake to actively promote the improvement of the Company's salary system and render it more in line with the requirements of remedies for dilution of immediate returns; support the linkage between the remuneration system and the implementation of the Company's remedial measures for dilution of immediate returns as formulated by the Board of directors or the remuneration committee, and strictly abide by such systems; undertake to actively support the linkage between the exercise conditions of equity incentive and the implementation of the Company's remedial measures for dilution of immediate returns in case that the Company establishes an equity incentive plan (if any); I will strictly abide by the remedial measures formulated by the Company, and will actively take all necessary and reasonable measures to urge the implementation of the remedial measures formulated by the Company within the scope of my authority according to the relevant regulations issued by the CSRC, the Shanghai Stock Exchange and other regulatory agencies in the future; after the date of issue of these undertakings and before the completion of the A Shares Issue and Listing, if the CSRC or the Shanghai Stock Exchange separately promulgates new regulatory provisions on the remedial measures for dilution of immediate returns and the undertakings thereof, and if the above undertakings cannot meet the requirements of the CSRC or the Shanghai Stock Exchange, I promise to issue supplementary undertakings in accordance with the provisions of the CSRC or the Shanghai Stock Exchange. 	28 December 2020	Yes	long-term effective	Yes	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Profit distribution	The Company	The Company has given the following undertakings in respect of profit distribution policies: The Company will distribute profits to shareholders in strict accordance with the profit distribution policies stipulated by relevant laws and regulations, the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd., and Three-year Distribution Plan for Shareholders after the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd., and strictly implement the review procedures for the profit distribution plan. If the violation of the above undertakings causes losses to the investors, the Company shall be liable to the investors according to law.	28 December 2020	Yes	Yes	-	-
	Others	The Company	The Company has given the following undertakings in respect of compensation under the law or compensation liabilities: 1. There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, and the Company shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus and other information disclosure materials. 2. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, the Company shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur. 3. Where there were discrepancies in the requirements imposed by the laws, regulations, regulatory documents, the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the related liabilities and consequences arising from breach of the above undertakings by the Company, the Company shall voluntarily and unconditionally abide by such requirements.	28 December 2020	Yes	Yes	-	-

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Others	CRRC ZELRI	<p>CRRC ZELRI has given the following undertakings in respect of compensation under the law or compensation liabilities:</p> <ol style="list-style-type: none"> There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials; and CRRC ZELRI shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus and other information disclosure materials. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, the company shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur. Where there were discrepancies in the requirements imposed by the laws, regulations, regulatory documents, the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the related liabilities and consequences arising from breach of the above undertakings by the company, the company shall voluntarily and unconditionally abide by such requirements. 	28 December 2020	Yes	long-term effective	Yes	-

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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Others		CRRC Group	CRRC Group has given the following undertakings in respect of compensation under the law or compensation liabilities: 1. There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials; and CRRC Group shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus and other information disclosure materials. 2. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, the group shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur. 3. Where there were discrepancies in the requirements imposed by the laws, regulations, regulatory documents, the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the related liabilities and consequences arising from breach of the above undertakings by the group, the group shall voluntarily and unconditionally abide by such requirements.	28 December 2020	Yes	long-term effective	Yes	-
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Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		Directors, supervisors and senior management of the Company	<p>The Directors, supervisors and senior management of the Company have given the following undertakings in respect of compensation under the law or compensation liabilities:</p> <ol style="list-style-type: none"> There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials; and I shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, I shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur. Where there were discrepancies in the requirements imposed by the laws, regulations, regulatory documents, the CSRC or stock exchanges in respect of the related liabilities and consequences arising from breach of the above undertakings by me, I shall voluntarily and unconditionally abide by such requirements. 	28 December 2020	Yes	long-term effective	Yes	-

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others	The Company	The Company	The Company agrees to take the following restrictive measures in case that it fails to fulfill the relevant public undertakings: 1. Where the relevant undertakings made publicly by the Company in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If the Company violates such undertakings, the Company agrees to take the restrictive measures already specified in the undertakings. 2. Where the relevant undertakings made publicly by the Company in the prospectus do not contain restrictive measures and the Company fails to fully or effectively fulfill such undertakings due to reasons other than force majeure, it agrees to adopt the following restrictive measures: (1) The Company shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to shareholders and social public investors on newspapers designated by the general meeting, the Shanghai Stock Exchange and China Securities Regulatory Commission; (2) The Company shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities; (3) If shareholders and social public investors suffer losses in securities trading due to the Company's failure to fulfill the above undertakings, the Company shall compensate shareholders and social public investors for the losses according to law; (4) The Company shall not raise the salary or allowance in any form to the Directors, supervisors and senior management personnel who are personally responsible for the Company's failure to fulfill relevant undertakings until the Company has completely eliminated the adverse effects caused by the failure to fulfill relevant undertakings; (5) Other measures available for adoption according to the then prevailing regulations.	28 December 2020	Yes	Yes	-	-

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC ZELRI	<p>CRRC ZELRI agrees to take the following restrictive measures in case that it fails to fulfill the relevant public undertakings:</p> <ol style="list-style-type: none"> Where the relevant undertakings made publicly by the company in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If the company violates such undertakings, the company agrees to take the restrictive measures already specified in the undertakings. Where the relevant undertakings made publicly by the company in the prospectus do not contain restrictive measures and the company fails to fully or effectively fulfill such undertakings due to reasons other than force majeure, it agrees to adopt the following restrictive measures: <ol style="list-style-type: none"> The company shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to other shareholders of Times Electric and social public investors on newspapers designated by the Shanghai Stock Exchange and China Securities Regulatory Commission; The company shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities; If other shareholders of Times Electric and social public investors suffer losses in securities trading due to the company's failure to fulfill the above undertakings, the company shall compensate other shareholders of Times Electric and social public investors for the losses according to law; Other measures available for adoption according to the then prevailing regulations. 	28 December 2020	Yes	long-term effective	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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Others CRRC Group CRRC Group agrees to take the following restrictive measures in case that it fails to fulfill the relevant public undertakings:

1. Where the relevant undertakings made publicly by the group in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If the group violates such undertakings, the group agrees to take the restrictive measures already specified in the undertakings.

2. Where the relevant undertakings made publicly by the group in the prospectus do not contain restrictive measures and the group fails to fully or effectively fulfill such undertakings due to reasons other than force majeure, it agrees to adopt the following restrictive measures:

(1) The group shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to shareholders of Times Electric and social public investors on newspapers designated by the Shanghai Stock Exchange and China Securities Regulatory Commission;

(2) The group shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities;

(3) If shareholders of Times Electric and social public investors suffer losses in securities trading due to the group's failure to fulfill the above undertakings, the group shall compensate shareholders of Times Electric and social public investors for the losses according to law;

(4) Other measures available for adoption according to the then prevailing regulations.

28 December 2020 Yes long-term effective

Yes

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		Directors, supervisors and senior management of the Company	<p>The Directors, supervisors and senior management of the Company agree to take the following restrictive measures in case that it fails to fulfill the relevant public undertakings:</p> <p>1. Where the relevant undertakings made publicly by me in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If I violate such undertakings, I agree to take the restrictive measures already specified in the undertakings.</p> <p>2. Where the relevant undertakings made publicly by me in the prospectus do not contain restrictive measures and I fail to fully or effectively fulfill such undertakings due to reasons other than force majeure, I agree to adopt the following restrictive measures:</p> <p>(1) I shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to shareholders and social public investors on newspapers designated by the general meeting, the Shanghai Stock Exchange and China Securities Regulatory Commission;</p> <p>(2) I shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities;</p> <p>(3) If shareholders and social public investors suffer losses in securities trading due to my failure to fulfill the above undertakings, I shall compensate shareholders and social public investors for the losses according to law;</p> <p>(4) If I receive the salary from Times Electric, I agree that Times Electric can stop paying the salary to me and use it directly to perform my unfulfilled undertakings or to compensate for the loss caused to Times Electric and its shareholders by my unfulfilled undertakings;</p> <p>(5) Other measures available for adoption according to the then prevailing regulations.</p>	28 December 2020	Yes	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step	
Others	CRRC ZELRI	CRRC ZELRI	CRRC ZELRI has given the following undertakings in respect of avoiding misappropriation of funds: 1. As of the date of the letter of undertakings, the company and the companies under its control (excluding Times Electric and companies under the control of Times Electric) have not appropriated the funds of Times Electric and companies under its control for non-operating purposes. 2. The company undertakes that from the date of the undertakings, the company and companies under its control will not appropriate the funds of Times Electric and companies under the control of Times Electric through borrowing, debt repayment (on their behalf), advance payment or any other means, and will strictly abide by the relevant provisions of laws and regulations on the corporate governance of listed companies to avoid capital transactions with Times Electric and companies under its control that are not related to normal production and operation. Times Electric shall not be required to provide any form of guarantee in violation of regulations to the company and companies under its control. 3. The company undertakes that if the company violates the above undertakings which prejudice the interests of Times Electric or other shareholders of Times Electric, the company is willing to assume all the responsibilities arising therefrom, and fully indemnify or compensate Times Electric or other shareholders of Times Electric for actual losses caused to them.	28 December 2020	Yes	Yes	long-term effective	-	-

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others	CRRC Group	CRRC Group	<p>CRRC Group has given the following undertakings in respect of avoiding misappropriation of funds:</p> <ol style="list-style-type: none"> As of the date of the letter of undertakings, the group and the companies under its control (excluding Times Electric and companies under the control of Times Electric) have not appropriated the funds of Times Electric and companies under its control for non-operating purposes. The group undertakes that from the date of the undertakings, the group and companies under its control will not appropriate the funds of Times Electric and companies under the control of Times Electric through borrowing, debt repayment (on their behalf), advance payment or any other means, and will strictly abide by the relevant provisions of laws and regulations on the corporate governance of listed companies to avoid capital transactions with Times Electric and companies under its control that are not related to normal production and operation. Times Electric shall not be required to provide any form of guarantee in violation of regulations to the group and companies under its control. The group undertakes that if the group violates the above undertakings which prejudice the interests of Times Electric or its shareholders, the group is willing to assume all the responsibilities arising therefrom, and fully indemnify or compensate Times Electric or its shareholders for actual losses caused to them. 	28 December 2020	Yes	long-term effective	Yes	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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Related Party Transactions

CRRC ZELRI

CRRC ZELRI has given the undertakings in respect of regulating related party transactions, details of which are as follows:

1. The company and companies under its control (excluding Times Electric and companies under its control, the same hereinafter) shall try their best to avoid unnecessary related party transactions with Times Electric and companies under its control.

2. For the unavoidable related party transactions related to the business activities of Times Electric and companies under its control, the company and companies under its control will strictly abide by the relevant requirements of laws and regulations and regulatory documents on related party transactions, and will conduct transactions with Times Electric and companies under its control at fair prices based on the principles of equality and mutual benefit, good faith, compensation of equal value, and fairness and reasonableness, so as to ensure that the legitimate rights and interests of Times Electric and other shareholders of Times Electric will not be harmed, that the profits of Times Electric will not be transferred through related party transactions, and that the legitimate rights and interests of Times Electric and other shareholders of Times Electric will not be impaired by exerting influence on the business decisions of Times Electric.

3. The company will not take advantage of its controlling shareholder status to seek any favorable conditions or benefits over independent third parties for the company and companies under its control from Times Electric and companies under its control in terms of business operations and other aspects.

4. The company undertakes to indemnify Times Electric and companies under its control against all actual loss, damage and expenses suffered/occurred for breach by the company and companies under its control of any clause of the undertakings, and to bear the corresponding liabilities in accordance with the law.

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Yes

long-term effective

Yes

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Related Party Transactions	CRRC Group	CRRC Group has given the undertakings in respect of regulating related party transactions, details of which are as follows: <ol style="list-style-type: none"> The group and companies under its control (excluding Times Electric and companies under its control, the same hereinafter) shall try their best to avoid unnecessary related party transactions with Times Electric and companies under its control. For the unavoidable related party transactions related to the business activities of Times Electric and companies under its control, the group and companies under its control will strictly abide by the relevant requirements of laws and regulations and regulatory documents on related party transactions, and will conduct transactions with Times Electric and companies under its control at fair prices based on the principles of equality and mutual benefit, good faith, compensation of equal value, and fairness and reasonableness, so as to ensure that the legitimate rights and interests of Times Electric and its shareholders will not be harmed, that the profits of Times Electric will not be transferred through related party transactions, and that the legitimate rights and interests of Times Electric and its shareholders will not be impaired by exerting influence on the business decisions of Times Electric. The group will not take advantage of its significant influence on Times Electric to seek any favorable conditions or benefits over independent third parties for the group and companies under its control from Times Electric and companies under its control in terms of business operations and other aspects. The group undertakes to indemnify Times Electric and companies under its control against all actual loss, damage and expenses suffered/occurred for breach by the group and companies under its control of any clause of the undertakings, and to bear the corresponding liabilities in accordance with the law. 	28 December 2020	Yes	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Non-competition undertakings	CRRC Group	<p>CRRC Group has given the undertakings in respect of non-competition, details of which are as follows:</p> <p>1. The group is a wholly state-owned company established on the basis of former China Northern Locomotive & Rolling Stock Industry (Group) Corporation (中國北方機車車輛工業集團公司) merging former CSR Group (中國南車集團公司). There is certain business overlapping between the holding company of former China Northern Locomotive & Rolling Stock Industry (Group) Corporation and Times Electric (including its subsidiaries, the same hereinafter). After the completion of the merger, there are certain business overlapping between other enterprises controlled by the group and Times Electric.</p> <p>2. At present, in the fields of traction converter systems, power supply systems, communication signal systems, rail engineering machinery and electronic components, other enterprises controlled by the group have certain businesses competing with Times Electric. There is no unfair competition, transfer of benefits, mutual or unilateral transfer of business opportunities between these enterprises and Times Electric, and nor is there competition that has a significant adverse impact on Times Electric. The group will strengthen the supervision and coordination of the aforesaid businesses competing with Times Electric, so as to avoid such competing businesses from having a material adverse impact on the businesses of Times Electric. In the field of vacuum sanitation systems, other enterprises controlled by the group have certain businesses competing with Times Electric. Times Electric, based on its own business development, has decided to stop the production of all vacuum sanitation system products after completing all sales contracts related to vacuum sanitation systems that are currently in effect, and will no longer sign any new sales contracts related to vacuum sanitation systems, nor will it explore new business opportunities in the field of vacuum sanitation systems or carry out this business in the future.</p>	20 December 2020	Yes	Yes	-	-
						the letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when CRRC Group is the indirect controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci-Tech Innovation Board.		

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			3. Except for the above circumstances, the group and other enterprises controlled by it are not currently engaged in any business that competes with the principal operating activities of Times Electric.					
			4. In the future, the group will not take advantage of its status as the indirect controlling shareholder of Times Electric to carry out business activities that prejudice the interests of Times Electric and its shareholders, and will take legal and effective measures to prevent the group and other enterprises controlled by the group from creating competition with Times Electric.					
			5. If the group or other enterprises controlled by it violate the above undertakings causing Times Electric to suffer any economic losses, the group undertakes to be liable for compensation of the actual economic losses of Times Electric.					
			6. The letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when the group is the indirect controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci-Tech Innovation Board.					

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Non-competition undertakings		CRRC ZELRI	CRRC ZELRI has given the undertakings in respect of non-competition, details of which are as follows:	20 December 2020	Yes	the letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when CRRC ZELRI is the direct controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci-Tech Innovation Board.	Yes	-	-
			1. As of the date of the letter of undertakings, the company and companies under its control (excluding Times Electric and companies under its control, the same hereinafter) have not directly or indirectly engaged in any business or activity that competes with the principal activities of Times Electric and companies under its control within or outside China.						
			2. The company and companies under its control will continue not to directly or indirectly engage in any business or activity that competes with the principal activities of Times Electric and companies under its control within and outside China in the future.						

Note 1: Both the "Group" and the "Company" stated in the undertakings contained in this section represent the party/parties giving the undertakings.

2: Based on the confidence in the future development prospects of Times Electric and the high recognition of the value of the Company, in order to further promote the sustainable and stable development of Times Electric and safeguard the interests of investors, CRRC ZELRI undertakes to voluntarily extend the lock-up period of 589,585,699 shares acquired before the initial public offering and listing of Times Electric held by it, and voluntarily extend the lock-up period for 12 months from the date of expiration of the lock-up period on 7 September 2024 to 6 September 2025. For details, please refer to the "Announcement of Zhuzhou CRRC Times Electric Co., Ltd. on Voluntary Extension of Lock-up Period of Shares by Controlling Shareholders" (Announcement No.: 2023-044) disclosed by the Company on the website of the SSE on 18 October 2023.

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
			<p>3. If the company or companies under its control identify any new business opportunity that competes or is likely to compete with the principal activities of Times Electric and companies under its control, it will immediately notify Times Electric in writing and try its best to procure that these business opportunities are first provided to Times Electric and companies under its control on reasonable and fair terms and conditions, so as to ultimately exclude the company and companies under its control from participating in the actual management or obtaining operation right of assets/equity/business involved in these business opportunities, thereby avoiding the competition with the principal activities engaged by Times Electric and companies under its control.</p> <p>4. If the company or companies under its control violate the above undertakings causing Times Electric to suffer any economic losses, the company undertakes to be liable for compensation of the actual economic losses of Times Electric.</p> <p>5. The letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when the company is the direct controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci-Tech Innovation Board.</p>					

Section V Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Other Undertakings	Non-competition undertakings	CRRC	In respect of the undertaking of non-competition with Zhuzhou CSR Times Electric Co., Ltd., CRRC undertakes that with respect to the operations of CRRC that compete with the operations of the Company: (1) CRRC will grant the Company a call option, pursuant to which the Company will be entitled to elect, at its own discretion, when to request CRRC to sell the competing businesses of CRRC to it; (2) CRRC will further grant the Company a pre-emptive right, pursuant to which if CRRC proposes to sell the competing business to an independent third party, CRRC shall offer to the Company the competing business first on the same terms and conditions, and the sale to an independent third party may only be effected after the Company refuses to purchase the competing business; (3) the decision of the Company to exercise the aforesaid call option and the pre-emptive right shall be made by the independent non-executive Directors of the Company; (4) the exercise of the aforesaid call option and the pre-emptive right as well as other effective methods to resolve this competition matter will be subject to the applicable regulatory and disclosure requirements and shareholders' approval at the general meeting in the places of listing of CRRC and the Company respectively; and (5) the non-competition undertaking will be effective from the date of issuance of the letter of undertaking to the time when the Company is de-listed or CRRC ceases to be an indirect controlling shareholder of the Company.	5 August 2015	Yes	Yes	-	-
							from the date of issuance of the letter of undertaking to the time when the Company is de-listed or CRRC ceases to be an indirect controlling shareholder of the Company	

Note 1: Both the "Group" and the "Company" stated in the undertakings contained in this section represent the party/parties giving the undertakings.

2: Based on the confidence in the future development prospects of Times Electric and the high recognition of the value of the Company, in order to further promote the sustainable and stable development of Times Electric and safeguard the interests of investors, CRRC ZELRI undertakes to voluntarily extend the lock-up period of 589,585,699 shares acquired before the initial public offering and listing of Times Electric held by it, and voluntarily extend the lock-up period for 12 months from the date of expiration of the lock-up period on 7 September 2024 to 6 September 2025. For details, please refer to the "Announcement of Zhuzhou CRRC Times Electric Co., Ltd. on Voluntary Extension of Lock-up Period of Shares by Controlling Shareholders" (Announcement No.: 2023-044) disclosed by the Company on the website of the SSE on 18 October 2023.

Section V Significant Events

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

☐Applicable ☒Not applicable

III. ILLEGAL GUARANTEES

☐Applicable ☒Not applicable

IV. AUDIT OF THE INTERIM REPORT

☐Applicable ☒Not applicable

V. CHANGES AND TREATMENT OF MATTERS SUBJECT TO NON-STANDARD AUDIT OPINIONS IN LAST YEAR'S ANNUAL REPORT

☐Applicable ☒Not applicable

VI. MATTERS RELEVANT TO WINDING UP AND SCHEME OF ARRANGEMENT

☐Applicable ☒Not applicable

VII. MATERIAL LITIGATION AND ARBITRATION MATTERS

☐The Company had involved in material litigation and arbitration during the reporting period ☒The Company had not involved in any material litigation and arbitration during the reporting period

VIII. INFORMATION ON BREACH OF LAWS AND REGULATIONS, PENALTIES, RECTIFICATION AND REFORM IN RESPECT OF THE LISTED COMPANY, ITS DIRECTORS, FORMER SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS OR ACTUAL CONTROLLER

☐Applicable ☒Not applicable

IX. EXPLANATION ON THE HONESTY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER DURING THE REPORTING PERIOD

☐Applicable ☒Not applicable

Section V Significant Events

X. MAJOR CONTRACTS AND THEIR PERFORMANCE

(I) Entrustment, contracting and leasing matters

☐ Applicable ☒ Not applicable

(II) Major guarantees performed and outstanding during the reporting period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)															
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Amount guaranteed	Date of guarantee (date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Principal debt	Guaranty (if any)	Whether the guarantee has been performed	Overdue or not	Amount overdue	Counter guarantee	Whether a related-party guarantee	Related relationship
Total guarantee incurred during the reporting period (excluding those provided for subsidiaries)															-
Total balance of guarantee as at the end of the reporting period (A) (excluding those provided for subsidiaries)															-

Guarantees provided by the Company and its subsidiaries for subsidiaries													
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Relationship between the guaranteed party and the listed company	Amount guaranteed	Date of guarantee (date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Whether the guarantee has been performed	Overdue or not	Amount overdue	Whether there is counter guarantee	
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	245,750,000.00	2024/10/12	2024/10/12	2025/10/12	Joint liability guarantee	No	No	Not applicable	No	
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	CRRC SMD (Shanghai) Co., Ltd.	Wholly-owned subsidiary	31,152,000.00	2024/4/25	2024/4/25	2025/6/13	Joint liability guarantee	No	No	Not applicable	No	
Total guarantee to subsidiaries incurred during the reporting period												0.00	
Total balance of guarantee to subsidiaries as at the end of the reporting period (B)												245,750,000.00	

Section V Significant Events

Aggregate guarantee of the Company (including those provided to subsidiaries)

Aggregate guarantee (A+B)	245,750,000.00
Percentage of aggregate guarantee to net assets of the Company (%)	0.60%
Representing:	
Amount of guarantee provided for shareholders, actual controller and related parties (C)	0.00
Amount of debt guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)	245,750,000.00
Excess amount of aggregate guarantee over 50% of net assets (E)	0.00
Aggregate amount of the above three categories (C+D+E)	245,750,000.00
Description of the contingent joint and several repayment liability in connection with unexpired guarantee	Not applicable
Description of guarantee	The Resolution on the Company's External Guarantee Plan in 2025 was considered and approved at the 16th meeting of the seventh session of the Board of the Company held on 28 March 2025

(III) Other material contracts

☐ Applicable ☒ Not applicable

XI. EXPLANATION ON PROGRESS IN USE OF PROCEEDS

☒ Applicable ☐ Not applicable

(I) Overall utilisation of proceeds

☒ Applicable ☐ Not applicable

Unit: Yuan

Source of proceeds	Date of receiving the proceeds	Total proceeds	Net proceeds	Total promised investment amounts of proceeds stated in the prospectus or offering memorandum	Total surplus proceeds	Total accumulated investment amount of proceeds as of the end of the reporting period (4)	Including: total accumulated investment amount of surplus proceeds as of the end of the reporting period (5)	Progress of accumulated investment of surplus proceeds as of the end of the reporting period (%) (6)=(4)/(1)	Progress of accumulated investment of surplus proceeds as of the end of the reporting period (%) (7)=(5)/(3)	Investment amount for the period (8)	Percentage of investment amount for the period (%) (9)=(8)/(1)	Total proceeds with change in purposes
			(1)	(2)	(3)=(1)-(2)							
Initial public issue on the STAR Market	1 September 2021	7,555,057,430	7,443,212,046	7,443,212,046	0	6,745,770,060	0	90.63	Not applicable	679,168,823	9.12	Not applicable
Total	/	7,555,057,430	7,443,212,046	7,443,212,046	0	6,745,770,060	0	90.63	Not applicable	679,168,823	9.12	Not applicable

Other explanations

☐ Applicable ☒ Not applicable

Section V Significant Events

(II) Particulars of investment projects to be financed with raised proceeds

✓Applicable □Not applicable

1. Breakdown of use of proceeds

✓Applicable □Not applicable

Unit: Yuan

Source of proceeds	Name of project	Project nature	Whether a promised investment project stated in the prospectus or offering memorandum	Change of the project or not	Planned total investment with proceeds (1)	Investment during the reporting period	Total accumulated investment amount of proceeds as of the end of the reporting period (2)	Progress of investment as of the end of the reporting period (%) (3)=(2)/(1)	Date of the projects becoming ready for intended use	Whether the project is completed or not	Whether the progress of investment is in line with planned schedule or not	Specific reason for failure to reach the planned schedule of investment	Economic benefits achieved during the reporting period	Economic benefits or research results achieved for the project	Whether feasibility of projects changes significantly, if yes, please state specific reason	Amount of balance
Initial public issue on the STAR Market	Application project of rail transit traction and network technology and system	R&D	Yes	No	2,095,500,000	185,657,349	1,989,469,909	94.94	2026	No	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	The application project on key technologies and system R&D of smart railway bureau and smart urban rail transit	R&D	Yes	No	1,070,830,000	213,613,025	1,055,411,555	98.84	2026	No	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	Advanced technology R&D application project of new industry	R&D	Yes	No	869,270,000	90,092,061	706,144,133	81.23	2026	No	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	R&D and manufacturing platform construction project of new-type rail engineering machinery	R&D	Yes	No	800,000,000	90,525,579	786,677,493	97.58	2025	No	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	Innovative experimental platform construction project	Production and construction	Yes	No	931,000,000	992,807,710	529,706,386	56.90 ¹	2025	No	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	Replenishment of working capital	Replenishment of working capital and repayment of debt	Yes	No	1,676,612,046	0	1,681,360,586	100.28	Not applicable	Yes	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Total	/	/	/	/	7,443,212,046	679,168,823	6,745,770,060	90.63	/	/	/	/	/	/	/	/

2. Breakdown of use of surplus proceeds

□Applicable ✓Not applicable

¹ As of 30 June 2025, the percentage of funds invested was relatively low as part of the payments for this project made using acceptance bills had not yet been replaced with the proceeds.

Section V Significant Events

(III) Explanation on the change or termination of use of proceeds during the reporting period

☐Applicable ☒Not applicable

(IV) Other particulars of use of proceeds during the reporting period

1. Initial investment and replacement with funds raised

☐Applicable ☒Not applicable

2. Temporarily supplement liquidity with idle proceeds

☐Applicable ☒Not applicable

3. Cash management against idle proceeds to invest in relevant products

☒Applicable ☐Not applicable

Unit: RMB0'000 Currency: RMB

Date of Board meeting for consideration	Valid limit considered for cash management	Date of commencement	Expiry date	Balance of cash management as at the end of the reporting period	Whether the maximum balance exceeded the authorised limit during the reporting period
23 August 2024	220,000	23 August 2024	22 August 2025	71,500	No

Section V Significant Events

Other explanations

At the 10th meeting of the seventh session of the Board and the 7th meeting of the seventh session of the Supervisory Committee held on 23 August 2024, the Resolution on Utilisation of Certain Temporarily Idle Proceeds for Cash Management was considered and approved, pursuant to which, the Company was approved to use temporarily idle proceeds with an amount of up to RMB2,200 million (inclusive) to purchase highly secure, liquid and principal-guaranteed investment products (including but not limited to structured deposits, certificates of deposit, term deposits and call deposits) with a term of 12 months from the date of approval by the Board provided that the construction progress of the projects to be financed by the proceeds and the Company's normal operation are not prejudiced and capital safety can be assured. Within the aforesaid amount and term of authorisation, the funds can be used on a rolling basis. As of 30 June 2025, the balance of cash management products purchased by the Company using idle proceeds was RMB715,000,000. Outstanding cash management products purchased by the Company during the reporting period are as follows:

Unit: Yuan Currency: RMB

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	2022/10/13	2025/2/19	2.99%	3,525,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	2022/10/13	2025/2/19	2.99%	3,525,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	2022/10/13	2025/4/29	3.00%	3,816,666.66	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	2022/10/13	2025/6/13	3.00%	4,000,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	2022/10/13	2025/6/13	3.00%	4,000,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	2022/10/13	2025/6/13	3.00%	4,000,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	10,000,000	2022/10/13	2025/6/13	3.00%	800,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	2024/7/30	2025/1/30	1.79%	450,000.00	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	100,000,000	2024/7/30	2025/1/30	1.88%	950,000.00	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Certificate of deposit	440,000,000	2024/9/24	2025/3/24	1.62%	3,524,888.89	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	20,000,000	2024/10/12	2025/1/12	1.62%	81,777.78	Yes
China Construction Bank Zhuzhou Tianxin Branch	Structured deposit	200,000,000	2024/11/6	2025/2/6	0.99%	499,068.49	Yes

Section V Significant Events

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	24,000,000	2024/11/25	2025/2/24	3.37%	201,646.03	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	26,000,000	2024/11/25	2025/2/24	1.29%	83,620.28	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	30,000,000	2024/11/1	2025/1/27	1.95%	139,438.36	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	30,000,000	2024/12/26	2025/3/31	2.00%	156,164.38	Yes
China Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	100,000,000	2025/2/27	2025/6/12	1.45%	417,123.29	Yes
China Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	30,000,000	2025/2/27	2025/6/13	1.35%	117,616.44	Yes
China Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	50,000,000	2025/2/27	2025/5/27	1.15%	140,205.48	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	30,000,000	2025/2/25	2025/5/25	1.38%	101,250.00	Yes
China Merchants Bank Zhuzhou Branch	Term deposit	30,000,000	2025/2/20	2025/5/20	1.33%	97,500.00	Yes
China Merchants Bank Zhuzhou Branch	Term deposit	30,000,000	2025/2/20	2025/5/20	1.33%	97,500.00	Yes
China Merchants Bank Zhuzhou Branch	Term deposit	20,000,000	2025/2/21	2025/5/21	1.33%	65,000.00	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Term deposit	25,000,000	2025/3/27	2025/6/27	1.29%	81,354.17	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Certificate of deposit	440,000,000	2025/3/28	2025/6/28	1.14%	1,266,222.22	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Term deposit	25,000,000	2025/4/3	2025/7/3	Expected to be 1.30%	Outstanding	Outstanding
China Merchants Bank Zhuzhou Branch	Term deposit	15,000,000	2025/4/23	2025/7/23	Expected to be 1.30%	Outstanding	Outstanding
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	10,000,000	2025/5/20	2025/8/20	Expected to be 1.35%	Outstanding	Outstanding
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	10,000,000	2025/5/29	2025/6/13	0.05%	208.33	Yes
China Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	20,000,000	2025/2/27	2025/6/13	0.05%	2,904.11	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	160,000,000	2025/6/24	2025/7/24	Expected to be 1.10%	Outstanding	Outstanding

Section V Significant Events

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
China Merchants Bank Zhuzhou Branch	Certificate of deposit	10,000,000	2025/6/25	2025/7/25	Expected to be 1.10%	Outstanding	Outstanding
China Merchants Bank Zhuzhou Branch	Certificate of deposit	10,000,000	2025/6/25	2025/7/25	Expected to be 1.10%	Outstanding	Outstanding
China Merchants Bank Zhuzhou Branch	Certificate of deposit	15,000,000	2025/6/25	2025/7/25	Expected to be 1.10%	Outstanding	Outstanding
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Certificate of deposit	440,000,000	2025/6/30	2025/7/30	Expected to be 0.90%	Outstanding	Outstanding
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	30,000,000	2025/6/30	2025/7/30	Expected to be 1.10%	Outstanding	Outstanding

4. Others

☐ Applicable ☒ Not applicable

(V) Conclusive opinion of intermediary institutions on special verification and assurance of the storage and use of proceeds

☐ Applicable ☒ Not applicable

Explanation of verification anomalies

☐ Applicable ☒ Not applicable

(VI) Subsequent rectification of unauthorized changes to the use of proceeds and illegal appropriation of proceeds

☐ Applicable ☒ Not applicable

XII. EXPLANATION OF OTHER SIGNIFICANT EVENTS

☐ Applicable ☒ Not applicable

Section VI Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

Unit: Share

	Before changes		Changes for the period (+, -)					After changes	
	Number of shares	Percentage (%)	New shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	Number of shares	Percentage (%)
I. Shares subject to trading moratorium	589,585,699	41.91	-	-	-	-	-	589,585,699	43.42
1. State-owned shares	-	-	-	-	-	-	-	-	-
2. State-owned legal person shares	589,585,699	41.91	-	-	-	-	-	589,585,699	43.42
3. Other domestic shareholding	-	-	-	-	-	-	-	-	-
Of which: Domestic non-state-owned legal person shares	-	-	-	-	-	-	-	-	-
Domestic natural person shares	-	-	-	-	-	-	-	-	-
4. Foreign shareholding	-	-	-	-	-	-	-	-	-
Of which: Overseas legal person shares	-	-	-	-	-	-	-	-	-
Overseas natural person shares	-	-	-	-	-	-	-	-	-
II. Circulating shares not subject to trading moratorium	817,067,113	58.09	-	-	-	-48,704,400	-48,704,400	768,362,713	56.58
1. RMB ordinary shares	279,321,813	19.86	-	-	-	-	-	279,321,813	20.57
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	537,745,300	38.23	-	-	-	-48,704,400	-48,704,400	489,040,900	36.01
4. Others	-	-	-	-	-	-	-	-	-
III. Total number of shares	1,406,652,812	100.00	-	-	-	-48,704,400	-48,704,400	1,357,948,412	100.00

2. Explanation on changes in shares

✓Applicable ☐Not applicable

37,313,100 H Shares repurchased from 17 December 2024 to 20 February 2025 were cancelled on 26 February 2025; and 11,391,300 H Shares repurchased from 30 April 2025 to 5 June 2025 were cancelled on 19 June 2025. Accordingly, as at 30 June 2025, the issued shares of the Company were reduced by 48,704,400 H Shares to 1,357,948,412 shares, including 868,907,512 A Shares and 489,040,900 H Shares.

Section VI Changes in Shares and Particulars of Shareholders

3. *The impact of changes in shares subsequent to the end of the reporting period and up to the date of this interim report (if any) on financial indicators such as earnings per share and net assets per share*

☐ Applicable ☒ Not applicable

4. *Other disclosure contents that the Company deemed necessary or were required by securities regulatory authorities*

☐ Applicable ☒ Not applicable

(II) Changes in shares subject to trading moratorium

☐ Applicable ☒ Not applicable

II. SHAREHOLDERS

(I) Total Number of Shareholders:

Total number of ordinary shareholders as at the end of the reporting period (account)	21,803
Total number of shareholders of preference shares with restored voting rights as at the end of the reporting period (account)	Not applicable
Total number of shareholders holding shares with special voting rights as at the end of the reporting period (account)	Not applicable

Note: As at the end of the reporting period, the Company had 20,777 A shareholders and 1,026 registered H shareholders.

Number of depositary receipt holders

☐ Applicable ☒ Not applicable

Section VI Changes in Shares and Particulars of Shareholders

(II) Particulars of Shareholdings of the Top Ten Shareholders and the Top Ten Shareholders Not Subject to Trading Moratorium as at the End of the Reporting Period

Particulars of shareholdings of the top ten shareholders through ordinary securities accounts and client credit trading guarantee securities accounts of the securities companies

☐ Applicable ☒ Not applicable

Unit: Share

Particulars of shareholdings of the top ten shareholders (Number of shares excluding lending shares for securities financing)								
Name of shareholders (full name)	Increase/ decrease of shareholding during the reporting period	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Number of restricted shares including lending shares for securities financing	Shares pledged, marked or frozen Status of shares	Number of shares	Nature of shareholders
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	0	600,381,485	44.21	589,585,699	589,585,699	None	–	State-owned legal person
HKSCC NOMINEES LIMITED ^{Note 1}	-48,687,400	487,736,266	35.92	0	0	Unknown	–	Overseas legal person
Hong Kong Securities Clearing Company Limited	-9,065,889	15,946,712	1.17	0	0	None	–	Overseas legal person
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Trading Open-end Index Securities Investment Fund (招商銀行股份有限公司－華夏上證科創板50成份交易型開放式指數證券投資基金)	-3,336,735	14,374,054	1.06	0	0	None	–	Unknown
Industrial and Commercial Bank of China Limited – eFunds SSE STAR 50 Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－易方達上證科創板50成份交易型開放式指數證券投資基金)	-116,730	10,793,274	0.79	0	0	None	–	Unknown
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	0	10,000,000	0.74	0	0	None	–	State-owned legal person
CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司)	0	9,800,000	0.72	0	0	None	–	State-owned legal person
National Social Security Fund Portfolio 110 (全國社保基金一一零組合)	424,779	6,309,750	0.46	0	0	None	–	Unknown
Industrial and Commercial Bank of China Limited – Huatai-PineBridge Shanghai Shenzhen 300 Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	105,697	4,733,588	0.35	0	0	None	–	Unknown
ICBC Credit Suisse Fund-China Life Insurance Company Limited-Dividend Insurance – ICBC Credit Suisse Fund China Life Insurance Balance Stock Portfolio Single Asset Management Plan (available for sale) (工銀瑞信基金－中國人壽保險股份有限公司－分紅險－工銀瑞信基金國壽股份均衡股票型組合單－資產管理計劃(可供出售))	413,220	4,246,044	0.31	0	0	None	–	Unknown

Section VI Changes in Shares and Particulars of Shareholders

Particulars of shareholdings of the top ten Shareholders not subject to trading moratorium (Number of shares excluding lending shares for securities financing)			
Name of Shareholders	Number of circulating shares held not subject to trading moratorium	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED ^{Note 1}	487,736,266	Overseas listed foreign shares	487,736,266
Hong Kong Securities Clearing Company Limited	15,946,712	RMB ordinary shares	15,946,712
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Trading Open-end Index Securities Investment Fund (招商銀行 股份有限公司－華夏上證科創板50成份交易型開放式指數證券 投資基金)	14,374,054	RMB ordinary shares	14,374,054
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限 公司)	10,795,786	RMB ordinary shares	10,795,786
Industrial and Commercial Bank of China Limited – efunds SSE STAR 50 Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－易方達上證科創板50成份交易 型開放式指數證券投資基金)	10,793,274	RMB ordinary shares	10,793,274
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公 司)	10,000,000	RMB ordinary shares	10,000,000
CRCC High-Tech Equipment Corporation Limited (中國鐵建高新 裝備股份有限公司)	9,800,000	RMB ordinary shares	9,800,000
National Social Security Fund Portfolio 110 (全國社保基金一一零 組合)	6,309,750	RMB ordinary shares	6,309,750
Industrial and Commercial Bank of China Limited – Huatai-PineBridge Shanghai Shenzhen 300 Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公 司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	4,733,588	RMB ordinary shares	4,733,588
ICBC Credit Suisse Fund-China Life Insurance Company Limited-Dividend Insurance– ICBC Credit Suisse Fund China Life Insurance Balance Stock Portfolio Single Asset Management Plan (available for sale) (工銀瑞信基金－中國人壽保險股份有 限公司－分紅險－工銀瑞信基金國壽股份均衡股票型組合單 一資產管理計劃(可供出售))	4,246,044	RMB ordinary shares	4,246,044
Hunan Rail Transit Holding Group Co., Ltd. (湖南軌道交通控股集 團有限公司)	3,958,888	RMB ordinary shares	3,958,888
Guohua Investment Development Asset Management (Beijing) Co., Ltd. (國華投資開發資產管理(北京)有限公司)	3,958,888		3,958,888

Section VI Changes in Shares and Particulars of Shareholders

Particulars of shareholdings of the top ten Shareholders not subject to trading moratorium (Number of shares excluding lending shares for securities financing)			
Name of Shareholders	Number of circulating shares held not subject to trading moratorium		Type and number of shares
		Type	Number
Explanation on the repurchase accounts among the top ten Shareholders	Not applicable		
Explanation on the aforesaid Shareholders entrusting voting rights, being entrusted with voting rights, and waiving voting rights	Not applicable		
Explanation on the related party relationship or acting-in-concert arrangement among the above Shareholders	<p>CRRZ Zhuzhou Institute Co., Ltd. is a direct controlling shareholder of the Company. CRRZ Corporation Limited, as the shareholder holding 100% equity interests in CRRZ Zhuzhou Institute Co., Ltd., CRRZ Zhuzhou Locomotive Co., Ltd. and CRRZ Hong Kong Capital Management Co., Ltd., indirectly held a total of 610,381,485 RMB ordinary shares of the Company through CRRZ Zhuzhou Institute Co., Ltd. and CRRZ Zhuzhou Locomotive Co., Ltd., and indirectly held 65,460,000 overseas listed foreign shares of the Company through CRRZ Hong Kong Capital Management Co., Ltd. CRRZ Corporation Limited indirectly held a total of 49.77% shareholding in the Company.</p> <p>Save as aforementioned, the Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.</p>		
Explanation on the preference shareholders with voting rights restored and their shareholdings	Not applicable		

Note 1: HKSCC NOMINEES LIMITED holds the H Shares on behalf of several customers.

Section VI Changes in Shares and Particulars of Shareholders

Shares lent by shareholders with over 5% shareholding, top ten shareholders and top ten shareholders not subject to trading moratorium engaged in refinancing business

☐ Applicable ☒ Not applicable

Changes in shareholding of top ten shareholders and top ten shareholders not subject to trading moratorium due to shares lent/returned for refinancing business

☐ Applicable ☒ Not applicable

Number of shares held by the top ten shareholders subject to trading moratorium and conditions of such trading moratorium

☒ Applicable ☐ Not applicable

Unit: Share

No.	Name of shareholder subject to trading moratorium	Number of shares held subject to trading moratorium	Shares subject to trading moratorium available for listing and trading		Conditions of trading moratorium
			Time available for listing and trading	Number of additional shares available for listing and trading	
1	CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	589,585,699	7 September 2025 (deferred to the next trading day in the case of a non-trading date)	–	36 months from the date on which the Company's shares are listed on the SSE + 12-month voluntary extension in the lock-up period

Explanation on the related party relationship or acting-in-concert arrangement among the above shareholder

Particulars of the top ten domestic depositary receipts holders of the Company as at the end of the reporting period

☐ Applicable ☒ Not applicable

Shares lent by depositary receipts holders with over 5% shareholding, top ten depositary receipts holders and top ten depositary receipts holders not subject to trading moratorium engaged in refinancing business

☐ Applicable ☒ Not applicable

Section VI Changes in Shares and Particulars of Shareholders

Changes in shareholding of top ten depositary receipts holders and top ten depositary receipts holders not subject to trading moratorium due to shares lent/returned for refinancing business

☐ Applicable ☒ Not applicable

Number of shareholdings of the top ten holders of depositary receipts subject to trading moratorium and conditions of such trading moratorium

☐ Applicable ☒ Not applicable

(III) Particulars of Top Ten Shareholders with Voting Rights as at the End of the Reporting Period

☐ Applicable ☒ Not applicable

(IV) Top 10 Shareholders from Strategic Investors or General Legal Persons Participating in the Placing of the New Shares/Depositary Receipts

☒ Applicable ☐ Not applicable

Name of strategic investors or general legal persons	Agreed commencement date of shareholding	Agreed expiry date of shareholding
Hunan Rail Transit Holding Group Co., Ltd. (湖南軌道交通控股集團有限公司)	7 September 2021	—
Guohua Investment Development Asset Management (Beijing) Co., Ltd. (國華投資開發資產管理(北京)有限公司)	7 September 2021	—
Explanation on agreed timeframe of shareholding for participation in placement of new shares by strategic investors or ordinary legal entities	None	

Section VI Changes in Shares and Particulars of Shareholders

III. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as is known to the Directors, the following persons (other than the Directors, the supervisors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of substantial shareholders	Class of shares	Number of shares held	Capacity	Approximate percentage of A Shares	Approximate percentage of H Shares	Approximate percentage of total issued shares of the Company
CRRCL ZELRI	A Shares	600,381,485 (Long position)	Beneficial owner	69.10%	–	44.21%
CRRCL ^(Note 1)	A Shares	610,381,485 (Long position)	Interest in controlled entity	70.25%	–	44.95%
	H Shares	65,460,000 (Long position)	Interest in controlled entity	–	13.39%	4.82%
CRRCL Group ^(Note 2)	A Shares	610,381,485 (Long position)	Interest in controlled entity	70.25%	–	44.95%
	H Shares	65,460,000 (Long position)	Interest in controlled entity	–	13.39%	4.82%
CRRCL Hong Kong Capital Management Co., Limited	H Shares	65,460,000 (Long position)	Beneficial owner	–	13.39%	4.82%
JPMorgan Chase & Co.	H Shares	1,259,300 (Long position)	Beneficial owner	–	0.26%	0.09%
		297,998 (Short position)	Beneficial owner	–	0.06%	0.02%
		40,706,800 (Long position)	Investment manager	–	8.32%	3.00%
		427,556 (Long position)	Secured equity holder	–	0.09%	0.03%
		8,407,195 (Long position)	Approved lending agent	–	1.72%	0.62%

Section VI Changes in Shares and Particulars of Shareholders

Name of substantial shareholders	Class of shares	Number of shares held	Capacity	Approximate percentage of A Shares	Approximate percentage of H Shares	Approximate percentage of total issued shares of the Company
Citigroup Inc.	H Shares	29,348,509	Interest in controlled entity	–	6.00%	2.16%
		(Long position)				
		844,330	Interest in controlled entity	–	0.17%	0.06%
		(Short position)				
		28,387,728	Approved lending agent	–	5.80%	2.09%
		(Long position)				
Norges Bank	H Shares	30,227,300	Beneficial owner	–	6.18%	2.23%
		(Long position)				

Notes: As at 30 June 2025, the number of issued shares of the Company was 1,357,948,412 shares, including 489,040,900 H Shares and 868,907,512 A Shares.

1. CRRC is interested in 100% of the registered capital of CRRC ZELRI and CRRC Zhuzhou. Accordingly, CRRC is deemed under the SFO to be interested in the shares held by each of CRRC ZELRI and CRRC Zhuzhou. CRRC is interested in 65,460,000 H Shares through CRRC Hong Kong Capital Management Co., Limited, a wholly-owned subsidiary of CRRC.
2. CRRC Group is directly and indirectly interested in 51.45% of the shares of CRRC. Accordingly, CRRC Group is deemed under the SFO to be interested in the shares held by CRRC.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any persons (other than the Directors or chief executives of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

Section VI Changes in Shares and Particulars of Shareholders

IV. INFORMATION OF DIRECTORS, FORMER SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

(I) Changes in Shareholding of Current and Resigned Directors, Supervisors, Senior Management and Core Technicians During the Reporting Period

☐Applicable ☒Not applicable

Other explanations

☐Applicable ☒Not applicable

(II) The Equity Incentives Granted to the Directors, Former Supervisors, Senior Management and Core Technicians During the Reporting Period

1. Stock option

☐Applicable ☒Not applicable

2. The first type of restricted stocks

☐Applicable ☒Not applicable

3. The second type of restricted stocks

☐Applicable ☒Not applicable

(III) Other Explanations

☐Applicable ☒Not applicable

Section VI Changes in Shares and Particulars of Shareholders

V. CHANGES IN THE CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

☐Applicable ☒Not applicable

VI. IMPLEMENTATION AND CHANGES OF ARRANGEMENTS RELATED TO DEPOSITARY RECEIPTS DURING THE REPORTING PERIOD

☐Applicable ☒Not applicable

VII. SHARES WITH SPECIAL VOTING RIGHTS

☐Applicable ☒Not applicable

VIII. PREFERENCE SHARES

☐Applicable ☒Not applicable



Section VII Corporate Bonds

I. ENTERPRISE BONDS, CORPORATE BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES OF THE COMPANY

☐Applicable ☒Not applicable

II. CONVERTIBLE BONDS OF THE COMPANY

☐Applicable ☒Not applicable

Section VIII Financial Report

I. AUDITOR'S REPORT

☐ Applicable ☒ Not applicable

II. FINANCIAL STATEMENTS

Consolidated balance sheet

30 June 2025

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	30 June 2025	31 December 2024
Current assets			
Cash and bank balances	VII.1	7,701,511,805	10,652,179,214
Held-for-trading financial assets	VII.2	182,972,219	3,533,861,455
Bills receivable	VII.3	3,755,555,776	3,224,588,596
Accounts receivable	VII.4	13,036,725,848	11,612,385,573
Trade receivables financing	VII.6	3,442,503,952	3,821,703,358
Prepayments	VII.7	664,252,758	581,863,392
Other receivables	VII.8	321,281,117	247,407,254
Including: Interest receivable		—	—
Dividends receivable		—	—
Inventories	VII.9	8,200,234,972	7,063,580,028
Contract assets	VII.5	1,177,564,140	995,492,991
Non-current assets due within one year	VII.10	1,672,608,254	2,628,347,569
Other current assets	VII.11	2,615,541,542	2,071,940,937
Total current assets		42,770,752,383	46,433,350,367

Section VIII Financial Report

Item	Note	30 June 2025	31 December 2024
Non-current assets:			
Long-term receivables		783,073	1,969,712
Long-term equity investments	VII.12	564,494,481	572,444,420
Other equity instrument investments	VII.13	266,823,520	266,823,520
Fixed assets	VII.14	10,244,137,849	8,594,961,720
Construction in progress	VII.15	1,229,176,438	2,312,618,688
Right-of-use assets	VII.16	281,547,463	279,746,716
Intangible assets	VII.17	1,415,485,325	1,390,860,997
Development expenditure	VIII.(2)	283,812,179	254,424,273
Goodwill	VII.18	246,417,924	230,971,288
Long-term prepaid expenses	VII.19	21,404,022	17,940,557
Deferred tax assets	VII.20	1,087,914,236	932,379,026
Other non-current assets	VII.21	10,762,742,159	3,513,755,035
Total non-current assets		26,404,738,669	18,368,895,952
Total assets		69,175,491,052	64,802,246,319
Current liabilities:			
Short-term loans	VII.23	61,216,261	39,010,667
Bills payable	VII.24	6,662,372,833	5,816,830,991
Accounts payable	VII.25	8,955,418,788	8,289,622,832
Advanced received		349,729	—
Contract liabilities	VII.26	1,657,438,504	1,333,540,452
Employee benefits payable	VII.27	461,736,678	226,286,846
Taxes payable	VII.28	381,650,945	244,575,367
Other payables	VII.29	4,473,163,132	1,869,975,564
Including: Interest payable		—	—
Dividends payable		1,358,003,412	—
Non-current liabilities due within one year	VII.30	756,998,254	743,193,133
Other current liabilities	VII.31	201,148,516	166,486,362
Total current liabilities		23,611,493,640	18,729,522,214

Section VIII Financial Report

Item	Note	30 June 2025	31 December 2024
Non-current liabilities:			
Long-term loans	VII.32	53,188,000	62,004,100
Lease liabilities	VII.33	177,488,777	187,969,883
Long-term payables	VII.34	—	72,823
Provisions	VII.35	885,305,160	611,111,883
Deferred income	VII.36	422,205,324	420,037,069
Deferred tax liabilities	VII.20	17,979,520	25,014,291
Other non-current liabilities		3,880,761	4,096,248
Total non-current liabilities		1,560,047,542	1,310,306,297
Total liabilities		25,171,541,182	20,039,828,511
Owners' (Shareholders') equity			
Paid-in capital (or share capital)	VII.37	1,357,948,412	1,406,652,812
Capital reserve	VII.38	11,395,964,676	12,730,965,320
Less: Treasury shares	VII.39	—	-124,242,646
Other comprehensive income	VII.40	-190,640,897	-240,610,284
Special reserve	VII.41	141,697,953	120,842,834
Surplus reserve	VII.42	3,530,286,607	3,530,286,607
Retained earnings	VII.43	24,417,418,321	24,103,864,879
Total equity attributable to owners (shareholders) of the parent company		40,652,675,072	41,527,759,522
Non-controlling interests		3,351,274,798	3,234,658,286
Total owners' (shareholders') equity		44,003,949,870	44,762,417,808
Total liabilities and (owners') shareholders' equity		69,175,491,052	64,802,246,319

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section VIII Financial Report

The Company's balance sheet

30 June 2025

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	30 June 2025	31 December 2024
Current assets			
Cash and bank balances		4,152,683,108	8,470,104,006
Held-for-trading financial assets		182,972,219	3,473,771,845
Bills receivable		3,295,043,877	2,645,663,578
Accounts receivable	XIX.1	9,939,960,890	8,563,286,997
Trade receivables financing		2,137,262,719	2,921,822,325
Prepayments		225,264,749	190,756,407
Other receivables	XIX.2	2,351,667,580	882,837,150
Including: Interest receivable		—	—
Dividends receivable		46,345,000	—
Inventories		5,142,413,181	4,024,160,946
Contract assets		606,604,866	466,080,113
Non-current assets due within one year		1,552,835,735	2,628,347,569
Other current assets		1,592,665,132	1,278,173,950
Total current assets		31,179,374,056	35,545,004,886
Non-current assets			
Long-term receivables		897,709,671	1,329,743,444
Long-term equity investments	XIX.3	11,366,588,966	11,341,834,640
Other equity instrument investments		266,823,520	266,823,520
Fixed assets		2,506,992,924	2,087,626,866
Construction in progress		276,566,525	684,396,457
Right-of-use assets		97,622,039	91,801,720
Intangible assets		489,860,269	459,502,229
Development expenditures		47,140,034	32,863,369
Long-term prepaid expenses		4,829,468	5,111,851
Deferred tax assets		360,517,720	293,267,024
Other non-current assets		9,556,916,797	2,233,721,166
Total non-current assets		25,871,567,933	18,826,692,286
Total assets		57,050,941,989	54,371,697,172

Section VIII Financial Report

Item	Note	30 June 2025	31 December 2024
Current liabilities			
Short-term loans		—	—
Bills payable		3,765,245,720	3,023,993,229
Trade payables		6,137,306,175	6,012,400,054
Advanced received		349,729	—
Contract liabilities		1,042,998,355	864,767,371
Employee benefits payable		201,750,905	87,677,417
Taxes payable		215,203,298	34,528,880
Other payables		7,180,190,764	4,842,715,832
Including: Interest payable		—	—
Dividends payable		—	—
Non-current liabilities due within one year		535,309,734	532,623,213
Other current liabilities		134,831,678	112,479,648
Total current liabilities		19,213,186,358	15,511,185,644
Non-current liabilities:			
Long-term loans		53,188,000	62,004,100
Lease liabilities		58,388,912	59,233,071
Long-term payables		—	72,823
Provisions		619,167,863	368,805,560
Deferred income		115,676,654	99,830,525
Deferred tax liabilities		22,984	—
Other non-current liabilities		3,880,761	4,096,248
Total non-current liabilities		850,325,174	594,042,327
Total liabilities		20,063,511,532	16,105,227,971

Section VIII Financial Report

Item	Note	30 June 2025	31 December 2024
Owners' (Shareholders') equity:			
Paid-in capital (or share capital)		1,357,948,412	1,406,652,812
Less: Treasury shares		—	-124,242,646
Capital reserve		8,946,669,468	10,288,610,687
Other comprehensive income		-25,921,145	-43,839,228
Special reserve		27,288,108	23,032,517
Surplus reserve		3,530,286,607	3,530,286,607
Retained earnings		23,151,159,007	23,185,968,452
Total owners' (shareholders') equity		36,987,430,457	38,266,469,201
Total liabilities and (owners') shareholders' equity		57,050,941,989	54,371,697,172

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section VIII Financial Report

Consolidated income statement

From January to June 2025

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	From January to June 2025	From January to June 2024
I. Total operating income	VII.44	12,213,971,602	10,355,639,193
Including: Operating income		12,213,971,602	10,355,639,193
II. Total operating costs		10,137,971,280	9,088,046,201
Including: Operating costs	VII.44	8,304,208,989	7,495,953,645
Taxes and surcharges	VII.45	97,097,340	63,872,504
Selling expenses	VII.46	228,177,596	207,140,673
Administrative expenses	VII.47	472,313,764	439,058,995
Research and development expenses	VII.48	1,214,500,454	959,334,677
Financial expenses	VII.49	-178,326,863	-77,314,293
Including: Interest expenses		10,105,440	25,676,823
Interest income		156,837,561	145,691,997
Add: Other income	VII.50	227,773,732	499,160,494
Investment income ("-" for losses)	VII.51	-12,407,308	17,074,459
Including: Gains from investments in associates and joint ventures ("-" for losses)		-5,725,477	-10,684,725
Gains from derecognition of financial assets measured at amortised cost ("-" for losses)		-	-
Gains from changes in fair value ("-" for losses)	VII.52	8,109,370	27,776,390
Credit losses ("-" for losses)	VII.54	-219,633,427	-96,254,137
Impairment losses ("-" for losses)	VII.55	-4,043,371	-42,564,827
Gains from asset disposals ("-" for losses)	VII.53	-682,457	2,958,532
III. Operating profit ("-" for loss)		2,075,116,861	1,675,743,903
Add: Non-operating income	VII.56	21,255,082	16,383,006
Less: Non-operating expenses	VII.57	8,625,632	10,078,780
IV. Profit before income tax ("-" for losses)		2,087,746,311	1,682,048,129
Less: Income tax expenses	VII.58	303,550,257	107,711,300

Section VIII Financial Report

Item	Note	From January to June 2025	From January to June 2024
V. Net profit for the year ("-" for losses)		1,784,196,054	1,574,336,829
(I) Net profit classified by continuity of operations ("-" for net loss):			
1. Net profit from continuing operations ("-" for net loss)		1,784,196,054	1,574,336,829
2. Net profit from discontinued operations ("-" for net loss)		<u>—</u>	<u>—</u>
(II) Net profit classified by ownership			
1. Net profit attributable to shareholders of the Company ("-" for net losses)		1,671,501,854	1,480,145,282
2. Net profit attributable to non-controlling interests ("-" for net losses)		112,694,200	94,191,547
VI. Other comprehensive income, net of tax	VII.40	47,532,540	17,186,202
(I) Other comprehensive income attributable to shareholders of the Company, net of income tax		49,969,387	17,577,363
1. Items that will not be reclassified to profit or loss		<u>—</u>	<u>—</u>
2. Items that may be reclassified to profit or loss		49,969,387	17,577,363
(1) Changes in fair value of other debt investments		13,599,223	19,621,117
(2) Translation differences arising from translation of foreign currency financial statements		36,370,164	-2,043,754
(II) Other comprehensive income, net of tax attributable to non-controlling interests		-2,436,847	-391,161
VII. Total comprehensive income		1,831,728,594	1,591,523,031
(I) Total comprehensive income attributable to shareholders of the Company		1,721,471,241	1,497,722,645
(II) Total comprehensive income attributable to non-controlling interests		110,257,353	93,800,386
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	XX.2	1.21	1.05
(II) Diluted earnings per share (RMB/share)	XX.2	1.21	1.05



Section VIII Financial Report

For the business combination involving entities under common control which occurred in the current period, the net profit of the absorbed business before being consolidated was RMB Nil. The net profit in the previous period was RMB Nil.

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section VIII Financial Report

The Company's income statement

From January to June 2025

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	From January to June 2025	From January to June 2024
I. Operating income	XIX.4	6,356,127,075	6,262,121,205
Less: Operating costs	XIX.4	4,460,490,359	4,640,418,411
Taxes and surcharges		45,382,508	24,573,201
Selling expenses		84,673,912	93,473,966
Administrative expenses		226,263,081	206,965,555
Research and development expenses		478,664,277	407,432,772
Financial expenses		-149,619,025	-105,312,269
Including: Interest expenses		36,370,720	14,154,823
Interest income		152,352,920	121,410,246
Add: Other income		51,825,384	214,937,054
Investment income ("-" for losses)	XIX.5	348,648,638	36,860,446
Including: Gains from investments in associates and joint ventures ("-" for losses)		414,265	2,140,664
Gains from derecognition of financial assets measured at amortised cost ("-" for losses)		—	—
Gains from changes in fair value ("-" for losses)		8,109,370	25,884,359
Credit losses ("-" for losses)		-74,307,065	-69,974,525
Impairment losses ("-" for losses)		205,189	-22,117,584
Gains from disposal of assets ("-" for losses)		-596,679	-197,845
II. Operating profit ("-" for loss)		1,544,156,800	1,179,961,474
Add: Non-operating income		11,964,021	3,071,132
Less: Non-operating expenses		3,270,458	9,027,680
III. Profit before income tax ("-" for loss)		1,552,850,363	1,174,004,926
Less: Income tax expenses		229,711,396	181,592,087
IV. Net profit for the year ("-" for net loss)		1,323,138,967	992,412,839
(I) Net profit from continuing operations ("-" for net loss)		1,323,138,967	992,412,839
(II) Net profit from discontinued operations ("-" for net loss)		—	—

Section VIII Financial Report

Item	Note	From January to June 2025	From January to June 2024
V. Other comprehensive income, net of tax		17,918,083	25,008,261
(I) Items that will not be reclassified to profit or loss		<u>—</u>	<u>—</u>
(II) Items that may be reclassified to profit or loss		17,918,083	25,008,261
1. Changes in fair value of other debt investments		16,039,374	24,865,207
2. Translation differences arising from translation of foreign currency financial statements		<u>1,878,709</u>	<u>143,054</u>
VI. Total comprehensive income for the year		<u>1,341,057,050</u>	<u><u>1,017,421,100</u></u>

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section VIII Financial Report

Consolidated cash flow statement

From January to June 2025

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	From January to June 2025	From January to June 2024
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		10,630,741,627	8,566,358,886
Receipts of tax refunds	VII.59	150,591,855	193,963,443
Other cash receipts relating to operating activities		243,563,644	216,830,896
Sub-total of cash inflows from operating activities		11,024,897,126	8,977,153,225
Cash payments for goods purchased and services received		6,127,542,690	5,695,841,436
Cash payments to and on behalf of employees		1,422,180,384	1,149,121,944
Payment of various taxes	VII.59	960,303,210	770,169,683
Payment for other operating activities		635,454,469	710,627,081
Sub-total of cash outflows from operating activities	VII.60	9,145,480,753	8,325,760,144
Net cash inflow from operating activities		1,879,416,373	651,393,081
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		7,212,520,000	7,503,000,000
Cash receipts from investment income		230,709,843	133,896,512
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		240,945	7,333,560
Proceeds from other investing activities		—	—
Sub-total of cash inflows from investing activities		7,443,470,788	7,644,230,072
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		1,705,160,934	1,805,768,565
Other cash payments relating to investing activities		10,861,680,000	8,928,286,000
Sub-total of cash outflows from investing activities		12,566,840,934	10,734,054,565
Net cash outflow from investing activities		-5,123,370,146	-3,089,824,493

Section VIII Financial Report

Item	Note	From January to June 2025	From January to June 2024
III. Cash flows from financing activities:			
Cash receipts from capital contributions		24,670,000	4,517,624,270
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		24,670,000	4,377,800,000
Cash receipts from borrowings		18,240,216	376,849,621
Other cash receipts relating to financing activities		1,190,217,356	526,521
Sub-total of cash inflows from financing activities		1,233,127,572	4,895,000,412
Cash repayments of borrowings		9,939,765	157,272,383
Cash payments for distribution of dividends or profits or settlement of interest expenses		18,090,586	20,561,050
Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries		14,000,000	5,840,000
Other cash payments relating to financing activities		72,947,683	163,515,393
Sub-total of cash outflows from financing activities		100,978,034	341,348,826
Net cash inflow from financing activities		1,132,149,538	4,553,651,586
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-872,182	-917,564
V. Net increase in cash and cash equivalents		-2,112,676,417	2,114,302,610
Add: Opening balance of cash and cash equivalents		7,637,572,817	7,013,542,578
VI. Closing balance of cash and cash equivalents		5,524,896,400	9,127,845,188

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section VIII Financial Report

The Company's cash flow statement

From January to June 2025

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	From January to June 2025	From January to June 2024
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		4,376,753,909	4,773,228,638
Receipts of tax refunds		80,799,006	45,711,169
Other cash receipts relating to operating activities		58,562,791	61,680,631
Sub-total of cash inflows from operating activities		4,516,115,706	4,880,620,438
Cash payments for goods purchased and services received		2,993,446,712	3,726,343,125
Cash payments to and on behalf of employees		563,238,698	499,255,469
Payment of various taxes		292,017,973	329,129,717
Payment for other operating activities		411,010,932	556,789,428
Sub-total of cash outflows from operating activities		4,259,714,315	5,111,517,739
Net cash inflow from operating activities		256,401,391	-230,897,301
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		7,425,951,655	6,707,000,000
Cash receipts from investment income		528,298,653	421,111,451
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		32,501	600,004
Net cash received for disposing of subsidiaries and other business units		—	—
Proceeds from other investing activities		—	—
Sub-total of cash inflows from investing activities		7,954,282,809	7,128,711,455
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		447,824,873	226,988,142
Cash payments to acquire investments		11,916,980,060	5,314,157,457
Other cash payments relating to investing activities		—	—
Sub-total of cash outflows from investing activities		12,364,804,933	5,541,145,599
Net cash outflow from investing activities		-4,410,522,124	1,587,565,856

Section VIII Financial Report

Item	Note	From January to June 2025	From January to June 2024
III. Cash flows from financing activities:			
Cash receipts from capital contributions		—	—
Cash receipts from borrowings		—	1,230,000,000
Cash received related to other financing activities		1,189,030,717	—
Sub-total of cash inflows from financing activities		1,189,030,717	1,230,000,000
Cash repayments of borrowings		9,939,765	388,190,138
Cash payments for distribution of dividends or profits or settlement of interest expenses		55,085,502	8,101,547
Other cash payments relating to financing activities		252,216,051	106,567,873
Sub-total of cash outflows from financing activities		317,241,318	502,859,558
Net cash inflow from financing activities		871,789,399	727,140,442
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-7,384,949	-1,176,537
V. Net increase in cash and cash equivalents		-3,289,716,283	2,082,632,460
Add: Opening balance of cash and cash equivalents		5,948,168,416	3,591,952,115
VI. Closing balance of cash and cash equivalents		2,658,452,133	5,674,584,575

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section VIII Financial Report

Consolidated statement of changes in owners' equity

From January to June 2025

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	From January to June 2025									
	Equity attributable to owners of the Company									Total
	Paid-in capital (or share capital)	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	
I. Balance at the end of the previous year	1,406,652,812	12,730,965,320	-124,242,646	-240,610,284	120,842,834	3,530,286,607	24,103,864,879	41,527,759,522	3,234,658,286	44,762,417,808
II. Opening balance of the current year	1,406,652,812	12,730,965,320	-124,242,646	-240,610,284	120,842,834	3,530,286,607	24,103,864,879	41,527,759,522	3,234,658,286	44,762,417,808
III. Changes in equity during the period ("-" for decreases)	-48,704,400	-1,335,000,644	124,242,646	49,969,387	20,855,119	-	313,553,442	-875,084,450	116,616,512	-758,467,938
(I) Total comprehensive income	-	-	-	49,969,387	-	-	1,671,501,854	1,721,471,241	110,257,353	1,831,728,594
(II) Owners' contributions and reduction in capital	-48,704,400	-1,335,000,644	124,242,646	-	-	-	-	-1,259,462,398	17,729,425	-1,241,732,973
1. Capital contribution from owners	-	6,940,575	-	-	-	-	-	6,940,575	17,729,425	24,670,000
2. Repurchase of shares	-	-	-1,266,402,973	-	-	-	-	-1,266,402,973	-	-1,266,402,973
3. Cancellation of shares	-4,870,400	-1,341,941,219	1,390,645,619	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	-	-1,357,948,412	-1,357,948,412	-14,055,000	-1,372,003,412
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-1,357,948,412	-1,357,948,412	-14,055,000	-1,372,003,412
(IV) Special reserve	-	-	-	-	20,855,119	-	-	20,855,119	2,684,734	23,539,853
1. Transfer to special reserve in the period	-	-	-	-	27,542,405	-	-	27,542,405	3,166,995	30,709,400
2. Amount utilised in the period	-	-	-	-	-6,687,286	-	-	-6,687,286	-482,261	-7,169,547
(V) Closing balance of the current period	1,357,948,412	11,395,964,676	-	-190,640,897	141,697,953	3,530,286,607	24,417,418,321	40,652,675,072	3,351,274,798	44,003,949,870

Section VIII Financial Report

Consolidated statement of changes in owners' equity

From January to June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

From January to June 2024									
Item	Equity attributable to owners of the Company						Non-controlling interests	Total	
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings			Sub-total
I. Balance at the end of the previous year	1,416,236,912	10,511,448,364	-255,631,350	86,022,310	3,153,659,247	21,954,221,096	36,865,956,579	850,574,303	37,716,530,882
Plus: Other	-	205,554,480	-423,716	2,357,039	-	-75,313,484	132,174,319	-	132,174,319
II. Opening balance of the current year	1,416,236,912	10,717,002,844	-256,055,066	88,379,349	3,153,659,247	21,878,907,612	36,998,130,898	850,574,303	37,848,705,201
III. Changes in equity during the period ("-" for decreases)	-4,696,800	2,211,228,347	17,577,363	22,797,880	-	379,143,995	2,626,050,785	2,171,307,418	4,797,358,203
(I) Total comprehensive income	-	-	17,577,363	-	-	1,480,145,282	1,497,722,645	93,800,386	1,591,523,031
(II) Owners' contributions and reduction in capital	-4,696,800	2,211,228,347	-	-	-	-	2,206,531,547	2,081,314,182	4,287,845,729
(1) Capital contribution from owners	-	2,296,485,818	-	-	-	-	2,296,485,818	2,081,314,182	4,377,800,000
(2) others	-4,696,800	-85,257,471	-	-	-	-	-89,954,271	-	-89,954,271
(III) Appropriation of profits	-	-	-	-	-	-1,101,001,287	-1,101,001,287	-6,115,000	-1,107,116,287
1 Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-
2 Distributions to owners (or shareholders)	-	-	-	-	-	-1,101,001,287	-1,101,001,287	-6,115,000	-1,107,116,287
(IV) Special reserve	-	-	-	22,797,880	-	-	22,797,880	2,307,850	25,105,730
1 Transfer to special reserve in the period	-	-	-	25,005,880	-	-	25,005,880	2,527,263	27,533,143
2 Amount utilised in the period	-	-	-	-2,208,000	-	-	-2,208,000	-219,413	-2,427,413
IV. Closing balance of the current period	1,411,540,112	12,928,231,191	-238,477,703	111,177,229	3,153,659,247	22,258,051,607	39,624,181,683	3,021,881,721	42,646,063,404

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section VIII Financial Report

The Company's statement of changes in owners' equity

From January to June 2025

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	From January to June 2025							Total
	Paid-in capital (or share capital)	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. Balance at the end of the previous year	1,406,652,812	10,288,610,687	-124,242,646	-43,839,228	23,032,517	3,530,286,607	23,185,968,452	38,266,469,201
II. Opening balance of the current year	1,406,652,812	10,288,610,687	-124,242,646	-43,839,228	23,032,517	3,530,286,607	23,185,968,452	38,266,469,201
III. Changes in equity during the period ("-" for decreases)	-48,704,400	-1,341,941,219	124,242,646	17,918,083	4,255,591	-	-34,809,445	-1,279,038,744
(I) Total comprehensive income	-	-	-	17,918,083	-	-	1,323,138,967	1,341,057,050
(II) Owners' contributions and reduction in capital	-48,704,400	-1,341,941,219	124,242,646	-	-	-	-	-1,266,402,973
1. Ordinary shares invested by owners	-	-	-	-	-	-	-	-
2. Repurchase of shares	-	-	-1,266,402,973	-	-	-	-	-1,266,402,973
3. Cancellation of shares	-48,704,400	-1,341,941,219	1,390,645,619	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	-	-1,357,948,412	-1,357,948,412
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-1,357,948,412	-1,357,948,412
(IV) Special reserve	-	-	-	-	4,255,591	-	-	4,255,591
1. Transfer to special reserve in the period	-	-	-	-	7,515,289	-	-	7,515,289
2. Amount utilised in the period	-	-	-	-	3,259,698	-	-	3,259,698
IV. Closing balance of the current period	1,357,948,412	8,946,669,468	-	-25,921,145	27,288,108	3,530,286,607	23,151,159,007	36,987,430,457

Section VIII Financial Report

The Company's statement of changes in owners' equity

From January to June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	From January to June 2024						Total
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. Balance at the end of the previous year	1,416,236,912	10,579,503,575	-59,394,839	20,211,566	3,153,659,247	20,897,323,493	36,007,539,954
II. Opening balance of the current year	1,416,236,912	10,579,503,575	-59,394,839	20,211,566	3,153,659,247	20,897,323,493	36,007,539,954
III. Changes in equity during the period ("-" for decreases)	-4,696,800	-85,257,471	25,008,261	5,381,524	-	-108,588,448	-168,152,934
(I) Total comprehensive income	-	-	25,008,261	-	-	992,412,839	1,017,421,100
(II) Owners' contributions and reduction in capital	-4,696,800	-85,257,471	-	-	-	-	-89,954,271
1. Ordinary shares invested by owners	-4,696,800	-85,257,471	-	-	-	-	-89,954,271
(III) Appropriation of profits	-	-	-	-	-	-1,101,001,287	-1,101,001,287
1 Appropriation for surplus reserve	-	-	-	-	-	-	-
2 Distributions to owners (or shareholders)	-	-	-	-	-	-1,101,001,287	-1,101,001,287
(IV) Special reserve	-	-	-	5,381,524	-	-	5,381,524
1 Transfer to special reserve in the period	-	-	-	7,944,945	-	-	7,944,945
2 Amount utilised in the period	-	-	-	2,563,421	-	-	2,563,421
IV. Closing balance of the current period	1,411,540,112	10,494,246,104	-34,386,578	25,593,090	3,153,659,247	20,788,735,045	35,839,387,020

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section VIII Financial Report

III. BASIC INFORMATION ABOUT THE COMPANY

1. General information

✓Applicable ☐Not applicable

Zhuzhou CRRC Times Electric Co., Ltd. (the “Company”), is a joint stock limited company registered in Hunan Province, the People’s Republic of China (the “PRC”) It was jointly established by CRRC Zhuzhou Institute Co., Ltd. (hereinafter referred to as “CRRC ZELRI”), CRRC Changzhou Industrial Management Co., Ltd., CRRC Zhuzhou Locomotive Co., Ltd., CRRC Investment & Leasing Co., Ltd. and CRRC High-Tech Equipment Co., Ltd. on 26 September 2005.

In December 2006, the Company issued 414,644,000 H Shares (including H shares issued via the exercise of the over-allotment option) with a nominal value of RMB1 each through the Hong Kong Stock Exchange. The issue price was HKD5.3 per share. The total proceeds before deducting issuing expenses amounted to HKD2,197,613,000 (equivalent to approximately RMB2,209,968,000) These H shares were listed and traded on the Main Board of the Hong Kong Stock Exchange since December 2006. In October 2013, the Company issued 91,221,000 H Shares with a nominal value of RMB1 each through the Hong Kong Stock Exchange. The issue price was HKD25 per share. The total proceeds before deducting issuing expenses amounted to HKD2,280,525,000 (equivalent to approximately RMB1,803,872,470) These H shares were listed and traded on the Main Board of the Hong Kong Stock Exchange since October 2013. In September 2021, the Company issued 240,760,275 A shares with a nominal value of RMB1 each through the STAR Market of Shanghai Stock Exchange (“SSE STAR Market”) The issue price was RMB31.38 per share. The total proceeds before deducting issuing expenses amounted to RMB7,555,057,430. These H shares were listed and traded on SSE STAR Market since September 2021. Consequently upon the issue of the A Shares, the registered capital and share capital of the Company were increased to RMB1,416,236,912.

In 2024 and 2025, the Company conducted a series of repurchases of H Shares on the Stock Exchange of Hong Kong: as at 31 December 2024, the Company repurchased 13,916,900 H Shares and cancelled 9,584,100 H Shares; During the six months ended 30 June 2025, the Company repurchased 44,371,600 H Shares and cancelled 48,704,400 H Shares.

The Company is headquartered at Times Road, Shifeng District, Zhuzhou City, Hunan Province. The Company and its subsidiaries (together, the “Group”) are mainly engaged in the R&D, design, manufacture, sales of rail transit equipment, emerging equipment as well as provision of related services. Its products mainly include rail transit electrical equipment primarily the rail transit traction converter system, rail engineering machinery, communication signal system, basic devices, industrial converter products, new energy vehicle electric drive system and offshore equipment.

Section VIII Financial Report

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements have been prepared on the going concern basis.

The Group implements the Accounting Standards for Business Enterprises and related regulations promulgated by the Ministry of Finance of the People's Republic of China ("the MoF"). In addition, the Group also disclosed relevant financial information in accordance with the Reporting Rules for the Disclosure of Information of Companies Offering Public Securities No. 15 – General Requirements for Financial Reporting (2014 Amendment), the Hong Kong Companies Ordinance and the Listing Rules for Securities of the Stock Exchange of Hong Kong Limited.

2. Going concern

☒Applicable ☐Not applicable

The Group evaluated its ability to continue as a going concern for the 12 months from 30 June 2025 and did not notice any events or circumstances that may cast significant doubt upon its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

☒Applicable ☐Not applicable

The Company and its subsidiaries have designated certain specific accounting policies and accounting estimates for transactions and events, such as the methods on provision for impairment of financial instruments, depreciation of fixed assets, amortisation of intangible assets, and revenue recognition, in accordance with the Accounting Standards for Business Enterprises based on the characteristics of their actual production and operations. Please refer to Note V. 11, 20, 23 and 28 for specific accounting policies.

1. Statement of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with the ASBE, and present truly and completely, the consolidated and Company's financial position as at 30 June 2025, and the consolidated and Company's operating results, the consolidated and the Company's changes in shareholders' equity and cash flows for the period from 1 January to 30 June 2025.

2. Accounting period

The accounting period of the Group is from 1 January to 31 December of each calendar year.

3. Business cycle

☒Applicable ☐Not applicable

Business cycle refers to the period since purchasing assets for production till the realisation of cash or cash equivalents. The Group's business cycle is 12 months in general.

4. Reporting currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

5. Methodology for determining the materiality criteria and basis for selection

✓Applicable ☐Not applicable

Item	Materiality criteria
Material provision for bad and doubtful debts of accounts receivable on an individual basis	Amount over or equal to RMB10 million
Material prepayments aged over one year	Amount over or equal to RMB10 million
Material non-wholly owned subsidiaries	One or all of the total assets, revenue of a non-wholly owned subsidiary accounted for over or equal to 10% of the corresponding item in the Group's consolidated statements
Material associates or joint ventures	The carrying amount of long-term equity investments in joint ventures or associates accounts for more than or equal to 1% of the net assets attributable to the parent company in the consolidated statements
Material construction in progress	The project investment budget is over or equal to RMB1 billion or the closing balance is over or equal to RMB100 million.
Material capitalized research and development projects	Amount invested during the period is greater than or equal to RMB20 million or ending balance is greater than or equal to RMB20 million
Significant accounts payable with ageing of more than one year	Amount over or equal to RMB20 million
Significant contract liabilities with ageing of more than one year	Amount over or equal to RMB10 million
Significant other payables with ageing of more than one year	Amount over or equal to RMB10 million

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

✓Applicable ☐Not applicable

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group should perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For a business combination involving entities under common control, on the combination date, the party that obtains control of another entity in the combination is the acquirer, while the other entity is the acquiree. The combination date is the date on which the acquirer obtains control of the acquiree.

The assets acquired and liabilities assumed from business combination under common control are measured based on their carrying amounts of the acquiree at the combination date. The difference between the share of carrying amount of the net assets acquired by the acquirer and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control (continued)

(2) Business combinations not involving enterprises under common control and goodwill

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination.

The cost of combination is the aggregate of fair values of the assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

After considering the effects of relevant deferred tax, for the difference that the combination cost is larger than the portion of fair value of net identifiable assets of acquiree acquired in combination, it is recognised as goodwill as an asset, and initially measured at cost. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current year.

The goodwill arising on a business combination should be separately disclosed in the consolidated financial statement and measured by the amount of costs deducted by the accumulative provision for impairment.

7. Basis for preparation of consolidated financial statements

✓Applicable ☐Not applicable

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control is achieved when the Company has power over the investee; is exposed or has rights to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The investor shall make a judgment on whether to control the investee on the basis of comprehensive consideration of all relevant facts and circumstances. If changes of related facts and situations lead to changes of related elements of control, the Group will conduct reassessment.

The combination of subsidiaries begins with the Group's control over the subsidiary, and ceases with the Group's losing control of the subsidiary.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Basis for preparation of consolidated financial statements (continued)

For a subsidiary disposed by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statements, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statements, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated cash flow statements, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company. All significant intra-group balances and transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "Profit or loss attributable to minority interests" in the consolidated income statement below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess amount is still allocated against minority interests.

Acquisition of non-controlling interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under shareholders' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost, and offset goodwill simultaneously. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

8. Classification of joint arrangements and accounting methods for joint management

✓Applicable ☐Not applicable

The joint arrangement includes joint operations and joint ventures. The classification is determined by considering the structure, legal form and contract terms of the arrangement according to the rights and obligations of the joint party in the joint arrangement. Joint operation refers to whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint venture arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

All joint arrangements of the Group are joint ventures using the equity method. Refer to Note V 19. Long-term equity investments for details.

9. Recognition criteria of cash and cash equivalent

Cash equivalents are the Group's short-term (generally due within three months from the date of purchase), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Translation of transactions and financial statements denominated in foreign currencies

✓Applicable ☐Not applicable

(1) Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into the functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the period, except that (I) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period; (II) exchange differences arising from changes in the carrying amounts (other than the amortised cost) of monetary items that classified as measured at FVOCI are recognised as other comprehensive income.

When the consolidated financial statements include foreign operations, if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognised as "exchange differences arising on translation of financial statements denominated in foreign currencies" in other comprehensive income, and in profit and loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognised in profit and loss or as other comprehensive income.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Translation of transactions and financial statements denominated in foreign currencies (continued)

(2) Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: all the assets and liability items in the balance sheet are translated using the spot exchange rates at the balance sheet date, shareholders' equity items except of "retained earnings" are translated at the spot exchange rates at the date on which such items arose; income and expense items in the income statement are translated at the average exchange rates during the period in which the transaction occurs. Translation differences of financial statements denominated in foreign currencies arising hereby are recognised as other comprehensive income. When a foreign operation is disposed of, other comprehensive income associated with such foreign operation is transferred to profit or loss for the period in which it is disposed of. In case of a disposal or other reason that leads to the reduction of the proportion of foreign operation interests held but does not result in the Group losing control of a foreign operation, the proportionate share of accumulated exchange differences arising on translation of financial statements are re-attributed to non-controlling interests and are not recognised in profit and loss. For partial disposals of equity interests in foreign operations which are associates or joint ventures, the proportionate share of the accumulated exchange differences arising on translation of financial statements of foreign operations is reclassified to profit or loss.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the average exchange rate for the period of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalents".

11. Financial instruments

✓Applicable ☐Not applicable

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Group recognises assets acquired and liabilities assumed on a trade date basis, or derecognises the assets sold on a trade date basis, confirms the disposal profits or losses and the receivables collected from the buyer.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognised amounts. For accounts receivable excluding significant financing components or regardless of financing components of contracts less than one year recognised based on the Accounting Standards for Business Enterprises No. 14 – Revenue (the "Revenue Standards"), accounts receivable initially recognised shall be measured at transaction price defined based on the Revenue Standards on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over each accounting period.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability, or where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (i.e. pre-repayment, extension, call option or other similar options, etc.) without considering future impairment losses under expected credit loss model.

The amortised cost of a financial asset or a financial liability is an accumulatively amortised amount arising from the initially recognised amount of the financial asset or the financial liability deducting repaid principals plus or less amortisation of balances between the initially recognised amount on initial recognition and the amount on maturity date using the effective interest method, and then deducting accumulated provisions for losses (only applicable to financial assets).

(1) Classification, recognition and measurement of financial assets

Subsequent to initial recognition, the Group's various financial assets are subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

If contractual terms of the financial asset give rights on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial asset measured at amortised cost. Such types of financial assets mainly comprise cash and bank balances, bills receivable, accounts receivable, other receivables, debt investments, and long-term receivables, etc.

The contract clauses of financial assets stipulate that cash flows generated on a specified date are only payments of principal and interest based on the amount of outstanding principal and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. The financial assets that meet the above conditions are classified as at FVTOCI. Such type of financial assets with a period of over one year since obtaining are presented as other debt investments and financial assets due within one year (inclusive) since the balance sheet date are presented as non-current assets due within one year; accounts receivable and bills receivable at FVTOCI are presented as accounts receivable financing, and other financial assets with a period within one year (inclusive) upon obtaining are presented as other current assets.

Upon initial recognition, the Group irrevocably designates non-held-for-trading equity instrument investments except contingent considerations recognised in the business combination not under the same control as financial assets at FVTOCI based on individual financial assets. Such types of financial assets are presented as other equity instrument investments.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(1) Classification, recognition and measurement of financial assets (continued)

Financial assets meeting one of the following requirements indicate that the financial assets held by the Group are for trading:

- The purpose of obtaining relevant financial assets is mainly for sale or buy-back in the near future.
- Relevant financial assets are part of the identifiable financial instrument combination under centralised management upon initial recognition and there is objective evidence indicating that exists recently a short-term profit model.
- Relevant financial assets are derivatives, except for derivatives meet the definition of financial guaranteed contracts as well as derivatives designated as effective hedging instruments.

Financial assets at fair value through profit and loss ("FVTPL") include financial assets classified at fair value through profit and loss and those designated as at fair value through profit or loss.

- Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are recognised into FVTPL.
- Upon initial recognition, to eliminate or significantly reduce accounting mismatches, the Group may irrevocably designate financial assets as measured at FVTPL.

Financial assets at fair value through profit and loss are presented under held-for-trading financial assets. Financial assets due over one year since the balance sheet date or without a fixed expiring date are presented under other noncurrent financial assets.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(1) Classification, recognition and measurement of financial assets (continued)

(a) Financial assets measured at amortised cost

Financial assets at amortised cost are measured subsequently at amortised cost using the effective interest method. Gains or losses arising from impairment or derecognition are recorded to profit or loss for the period.

The Group recognises interest income for financial assets measured at amortised cost using the effective interest method. The Group determines the interest income by multiplying the gross carrying amount of financial assets by effective rate except the following situations:

- For purchased or originated credit-impaired financial assets, the Group recognises their interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.
- For purchased or originated financial assets without credit impairment but subsequently becoming credit impaired, the Group subsequently recognises their interest income based on amortised costs and effective interest rate of such financial assets. If there exists no credit impairment due to improvement in credit risk of the financial instruments subsequently and the improvement is relevant to an event incurred subsequent to the application of above provisions, the Group recognises interest income based on applying effective interest rate to carrying amount of the financial assets.

(b) Financial assets at FVTOCI

Except that gains or losses on impairment relating to financial assets at fair value through other comprehensive income, interest income calculated using effective interest rate and exchange gains or losses are recognised in profit or loss for the period, changes in fair value in the above financial assets are included in other comprehensive income. The amount of the financial assets included into profit or loss of each period shall be regarded as equal as the amount measured at amortised cost through profit or loss over each period. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and reclassified into profit or loss for the period.

For non-held-for-trading equity investment designated as financial assets at FVTOCI, changes in fair value are recognised in other comprehensive income. Upon derecognition of the financial asset, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings. During the period for which the Group holds the investments in the non-held-for-trading equity instruments, dividend income is recognised and included in profit or loss for the period when the Group's right to collect dividend has been established; it is probable that economic benefits associated with dividend will flow to the Group; and the amount of dividend can be reliably measured.

(c) Financial assets classified as at FVTPL

Financial assets at FVTPL are measured subsequently at fair value, with gains or losses arising from changes in the fair value and dividend and interest income relevant to the financial assets are recorded to profit or loss for the period.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments

The Group recognises impairment losses for expected credit losses on financial instruments measured at amortised cost, categorised into FVTOCI, lease receivables, contract assets, loan commitments and financial guarantee contracts.

The Group measures loss allowance for contract assets and receivables arising from transactions regulated by Revenue Standard, and lease receivables arising from transactions regulated by the Accounting Standards for Business Enterprises No. 21 – Leases based on the amount of lifetime ECL.

For other financial instruments, except for the purchased or originated to be impaired, the Group re-evaluate changes in credit risk of relevant financial instruments since initial recognition at each balance sheet date. If the credit risk of the above financial instruments has increased significantly since initial recognition, the Group measures loss allowance based on the amount of full lifetime; if credit risk of the financial instrument does not increase significantly since initial recognition, the Group recognises loss allowance based on 12-month expected credit loss of the financial instrument. Increase or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment. Except for the financial assets classified as FVTOCI, financial guarantee contract and loan commitment, credit loss allowance offsets the carrying amount of financial assets. For the financial assets classified as FVTOCI, the Group recognises credit loss allowance in other comprehensive income, which does not decrease the carrying amount of such financial assets in the balance sheet.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, as at the balance sheet date for the current period, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at the balance sheet date for the current period. Relevant reversal of loss allowance is included in profit or loss as gain on impairment.

(a) Significant increases in credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instruments as at the reporting date with the risk of a default occurring on the financial instruments as at the date of initial recognition. For financial guaranteed contracts, when applying the provision of impairment of financial instruments, the Group shall take the date when it becomes the party making an irrevocable undertaking as the initial recognition date.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(a) Significant increases in credit risk (continued)

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

- Significant changes in internal price indicators as a result of a change in credit risk;
- Other changes in the rates or terms of an existing financial instrument that would be significantly different if the instrument was newly originated or issued at the balance sheet date (such as more stringent covenants, increased amounts of collateral or guarantees, or higher income coverage);
- Significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instruments with the same expected life;
- An actual or expected significant change in the financial instrument's external credit rating;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations;
- An actual or expected significant change in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements;
- Significant changes in the expected performance and behaviour of the debtor;
- Changes in the Group's credit management approach related to the financial instrument.

At the balance sheet date, if the Group judges that the financial instruments solely are exposed to low credit risk, the Group will assume that the credit risk of the financial instruments has not been significantly increased since initial recognition. If the risk of default on financial instruments is low, the borrower's ability to meet its contractual cash flow obligations in the short term is strong, and even if the economic situation and operating environment are adversely changed over a long period of time, it may not necessarily reduce the borrower's ability to fulfil its contractual cash flow obligations, the financial instrument is considered to have a low credit risk.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(b) Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulties of the issuer or debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor that would not be made under any other circumstances;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties of the issuer or debtor.

(c) Recognition of expected credit losses

The Group classifies financial instruments into different groups based on common risk characteristics. Shared credit risk characteristics include type of financial instruments, type of debtors, industry of debtors etc.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11. Financial instruments *(continued)*

(2) Impairment of financial instruments *(continued)*

(c) Recognition of expected credit losses (continued)

ECL of relevant financial instruments is recognised based on the following methods:

- For a financial asset, credit loss is the present value of difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.
- For a lease receivable, credit loss is the present value of difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.
- For undrawn loan commitments, the credit loss is the present value of the difference between the contract cash flow to be received by the Group and the expected cash flow, under the condition that the loan commitment holder withdraws the corresponding loans. The Group's estimate of the expected credit loss on the loan commitment is consistent with the expected withdrawal of the loan commitment.
- For a financial guarantee contract, credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- For credit-impaired financial assets other than the purchased or originated credit-impaired financial assets at the balance sheet date, credit loss is difference between the carrying amount of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, including time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(c) Recognition of expected credit losses (continued)

The Group's specific policies on the determination of provision for bad and doubtful debts of receivables are set out below:

(1) The combination categories and determination basis of bad debt provisions calculated based on the credit risk feature combinations.

Bills receivable	According to the credit risk characteristics of the acceptors, the Group classified bills receivable into bank acceptances, commercial acceptances due from State Railway Group ("SRG") and its subsidiaries, commercial acceptances due from central state-owned enterprises other than SRG, commercial acceptances due from local governments or local state-owned enterprises and commercial acceptances due from other enterprises.
Accounts receivable and contract assets	The Group classified the accounts receivable and contract assets into SRG, central state-owned enterprises other than SRG, local governments or local state-owned enterprises as well as other enterprises based on the credit risk characteristics.
Trade receivables financing	The Group's trade receivables financing represent the bank acceptances receivable with dual holding purposes and Cloud Credit receivable (enterprise credit circulating on the Cloudchain platform, hereinafter referred to as "Cloud Credit") Based on the historical experience, there is no significant difference in the occurrence of losses on bank acceptances receivable with dual holding purposes and Cloud Credit receivable. Therefore, the Group considers all trade receivables financing as a portfolio.
Other receivables	The Group's other receivables mainly include guarantees and deposits receivable, employees reserve funds receivable, accounts current due from related parties, dividends receivable. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classified other receivables into three portfolios, specifically: the employees reserve funds receivable portfolio, portfolio for amounts due from related parties within the Group and other receivables portfolio.

For receivables classified into portfolios, the Group calculates the ECLs by taking into account circumstances including ageing and historical loss experience, and by appropriately adjusting the lifetime ECL rate against future economic conditions and other influencing factors, by using the exposure at default (EAD) and the lifetime ECL rate.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11. Financial instruments *(continued)*

(2) Impairment of financial instruments *(continued)*

(c) Recognition of expected credit losses (continued)

(II) Judgement criteria for receivables for which credit loss allowance is provided on an individual basis

Generally, the Group collectively measures loss allowance for bills receivable, accounts receivable, trade receivables financing, other receivables and contract assets based on the credit risk characteristics. If the credit risk characteristics of a counterparty is significantly different from that of other counterparties, or if there are significant changes in the credit risk characteristics of a counterparty, loss allowances for amounts due from this counterparty are made on an individual basis. For example, when a counterparty is experiencing significant financial difficulty and the ECL rate on amounts due from this counterparty has become significantly higher than the ECL rate in the ageing range, loss allowances for such amounts are made on an individual basis.

(d) Reduction in financial assets

The Group directly reduce the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Such reduction constitutes a derecognition of relevant financial assets.

(3) Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, the Group will recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. Relevant liabilities are measured using the following methods:

- For transferred financial assets carried at amortised cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortised cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortised cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at fair value through profit or loss.
- For financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(3) Transfer of financial assets (continued)

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, for financial asset categorised into those measured at amortised cost and FVTOCI, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss. For non-trading equity instruments designated as financial assets at FVTOCI, cumulative gains or losses previously recognised in other comprehensive income should be removed from other comprehensive income and be recognised in retained earnings.

For a part of transfer of a financial asset that satisfies the derecognition criteria, the carrying amount of the transferred financial asset is allocated between the part that is derecognised and the part that is continuously involved, based on the respective fair values of those parts on transfer date. The difference between (1) the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised in other comprehensive income; and (2) the carrying amount allocated to the part derecognised on derecognition date; is recognised in profit or loss.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety. The consideration received should be recognised as a liability.

(4) Classification of financial liabilities and equity instruments

Financial instruments issued by the Group are classified into financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial liability and equity instruments on initial recognition.

(a) Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(4) Classification of financial liabilities and equity instruments (continued)

(a) Classification, recognition and measurement of financial liabilities (continued)

(I) Financial liabilities at FVTPL

Financial liabilities at FVTPL consist of financial liabilities held for trading (including derivative instruments classified as financial liabilities) and those designated as at FVTPL. Financial liabilities at FVTPL are presented as held-for-trading financial liabilities/other non-current liabilities based on its liquidity.

It is indicated that the Group's purpose of undertaking the financial liabilities is for trading if the financial liabilities meet one of the following conditions:

- The purpose for undertaking relevant financial liabilities is mainly for recent repurchase;
- The relevant financial liabilities are part of the centrally managed identifiable financial instrument portfolio at initial recognition, and there is objective evidence that there is a short-term profits presence in the near future;
- Related financial liabilities are derivatives, except for derivatives that meet the definition of a financial guarantee contract and that are designated as effective hedging instruments.

Financial liabilities at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value or any dividend or interest expenses paid related to the financial liabilities are recognised in profit or loss.

(II) Other financial liabilities

Other financial liabilities, except for financial liabilities due to the transfer of financial assets do not qualify for derecognition or with continuing involvement, guarantee contracts, are classified as financial liabilities measured at amortised cost, which is subsequently measured at amortised cost, any gains or losses arising from derecognition or amortisation are recognised in profit or loss for the year.

If the Group amends or renegotiates a contract with the counterparty which does not result in derecognition of financial liabilities subsequently measured at amortised cost but results in changes in the contractual cash flow, the Group shall recalculate the carrying amount of the financial liabilities and account for the relevant profit or loss as current profit or loss. The Group determines the recalculated carrying amount of the financial liabilities based on the present value of the contractual cash flow to be renegotiated or modified according to the discounted original effective interest rate of financial liabilities. For all the costs or expenses arising from an amended or renegotiated contract, the Group shall adjust the book value of the financial liabilities and amortise them for the remaining life of the financial liabilities.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(4) Classification of financial liabilities and equity instruments (continued)

(b) Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing debtor) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

(c) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's issuance (including refinancing), repurchase, sales or cancellation of an equity instrument shall be accounted for as a change to equity. The Group does not recognise changes in the fair value of an equity instrument. The issuance of equity instruments is recognised at the actual issue price in shareholders' equity, relevant transaction costs are deducted from shareholders' equity (capital reserve), with any excess deducted from surplus reserve and retained earnings sequentially. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

When the Company repurchases its own shares, those shares are treated as treasury shares. The entire repurchase expenditure is recorded as the cost of the treasury shares in the reference register. Treasury shares are excluded from profit distributions and are presented as a deduction from shareholders' equity on the balance sheet.

When treasury shares are cancelled, the share capital should be reduced to the extent of the total par value of the treasury shares cancelled. Where the cost of the treasury shares cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to the capital reserve (share premium).

When treasury shares are disposed of, any excess of proceeds above cost is recognised in capital reserve (share premium); otherwise, the shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially.

The Group recognises the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(5) Derivatives

The derivative instruments of the Group include forward exchange contract, etc. The derivative instruments are measured initially at fair value on the relevant contractual signing date, and measured subsequently at fair value. At the end of reporting period, the derivative financial instruments at a positive fair value are presented in derivative financial assets, and those at a negative fair value are presented in derivative financial liabilities.

(6) Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

12. Bills receivable

☐Applicable ☒Not applicable

13. Accounts receivable

☐Applicable ☒Not applicable

14. Trade receivables financing

☐Applicable ☒Not applicable

15. Others receivables

☐Applicable ☒Not applicable

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Inventories

✓Applicable ☐Not applicable

(1) Inventory category, valuation method of inventories upon delivery, inventory count system, amortisation method for low cost and short-lived consumable items and packaging materials

✓Applicable ☐Not applicable

(a) Inventory classification

The Group's inventories mainly include raw materials, semi-finished products, work in progress, finished goods and turnover materials. Inventories are initially measured at cost; in addition to the purchase cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads based on normal capacity.

(b) Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

(c) Inventory count system

The perpetual inventory system is maintained for stock system.

(d) Amortisation method for low cost and short-lived consumable items and packaging materials

Turnover materials include low value consumables and packing materials, which are amortised by using the immediate write-off method.

(2) Basis for determining net realisable value of inventories

✓Applicable ☐Not applicable

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. Net realisable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events. The provision for decline in values of inventories are made on an individual basis. For items of inventories relating to a product line that are produced and marketed in the same geographical area, have the same or similar end uses or purposes, and cannot be practicably evaluated separately from other items in that product line, provision for decline in value is determined on an aggregate basis. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Inventories (continued)

(3) Categories of combinations and basis for determining the provision for decline in value of inventories according to combinations, and basis for determining the net realizable value of different categories of inventories

☐ Applicable ☒ Not applicable

(4) Calculation method and basis for determining the net realizable value of inventories by age group for recognizing net realizable value of inventories based on the age of inventories

☐ Applicable ☒ Not applicable

17. Contract assets

☐ Applicable ☒ Not applicable

18. Assets classified as held-for-sale

☐ Applicable ☒ Not applicable

Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale

☒ Applicable ☐ Not applicable

Non-current assets and disposal groups are classified as held for sale category when the Group recovers the carrying amount through a sale (including an exchange of non-monetary assets that has commercial substance) rather than continuing use.

Non-current assets or disposal groups classified as held for sale are required to satisfy both of the following conditions: (1) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; (2) the sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

The Group measures the non-current assets or disposal groups classified as held for sale at the lower of their carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, the carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognised in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognised after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortised, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognised.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Assets classified as held-for-sale (continued)

Recognition criteria and presentation of discontinued operations

☐ Applicable ☒ Not applicable

19. Long-term equity investments

☒ Applicable ☐ Not applicable

(1) Determination criteria of joint control and significant influence

Control is achieved when the Group has the power over the investee, is exposed or, has the rights to, variable returns from its involvement with the investee; and has the ability to use its power to affect its return. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, convertible corporate bonds and exercisable warrants) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

(2) Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of carrying amount of shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as initial investment cost of long-term equity investment at the date of combination. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is determined in accordance with shares of carrying amount of shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination, with the aggregate face value of the shares issued accounted for as share capital, and the difference between the initial investment cost and the aggregate face value of the shares issued adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained profits.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition at the date of combination.

The expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the additional investment cost.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Long-term equity investments (continued)

(3) Subsequent measurement and recognition of profit or loss

(a) Long-term equity investment accounted for using the cost method

The parent company's separate financial statements adopted cost method to account for the long-term equity investments of subsidiaries. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. Except for cash dividends or profits already declared but not yet paid that are included in the price or consideration actually paid upon acquisition of the long-term equity investment, investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

(b) Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is a joint arrangement in which the Group has rights only to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted: the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognised in the capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investors' accounting policies and accounting period are inconsistent with those of the Company, the Company recognises investment income and other comprehensive income after making appropriate adjustments to conform to the Company's accounting policies and accounting period. However, unrealised gains or losses resulting from the Group's transactions with its associates and joint ventures, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses or is recognised. However, unrealised losses are not eliminated if they result from the Group's transactions with its investees which represent impairment losses on the transferred assets.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Long-term equity investments (continued)

(3) Subsequent measurement and recognition of profit or loss (continued)

(b) Long-term equity investment accounted for using the equity method (continued)

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

(c) Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognised in profit or loss for the period.

(d) Methods of impairment assessment and provision for impairment are set out in Note V.24.

20. Fixed assets

(1) Recognition criteria

✓Applicable ☐Not applicable

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year.

The initial cost of purchased fixed assets includes purchase cost, relevant taxes and expenses attributable to the asset incurred before it reaches ready-to-use condition. The initial cost of self-constructed fixed assets is recognised in accordance with Note V.21. The components of fixed assets, which have various useful life or contribute economic benefits to the Group in different ways, or at different depreciation rate or via different depreciation methods, will be recognised as individual fixed assets by the Group. The subsequent expenditure of fixed assets (including amount paid for replacing certain component of fixed assets), is recognised into cost of fixed assets if it qualifies recognition criteria. Meanwhile, the carrying amount of replaced component is deducted. The expense relating to routine maintenance of fixed assets is included in profit or loss when it is incurred. Fixed assets are presented on the balance sheet at cost less accumulated depreciation and impairment losses.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Fixed assets (continued)

(2) Depreciation method

✓Applicable ☐Not applicable

Category	Depreciation method	Depreciation period (years)	Estimated net residual value rate	Annual depreciation rate
Plant and buildings	Straight-line method	20-45	5%	2.11%-4.75%
Machinery and equipment	Straight-line method	6-10	5%	9.50%-15.83%
Vehicles	Straight-line method	5	5%	19.00%
Office facilities and others	Straight-line method	5	5%	19.00%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(3) Other information

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in accounting estimate.

Methods of impairment assessment and provision for impairment are set out in Note V.24.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Construction in progress

✓Applicable ☐Not applicable

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use.

Specific criteria and the point in time for the Group's construction in progress transferred to fixed assets:

Category	Criteria and point in time for construction in progress transferred to fixed assets
Plant and buildings Machinery and equipment	Constructions were completed and came into use. If a single equipment can be individually ready for intend use after installation and commissioning, the point in time for construction in progress transferred to fixed assets is the time when the installation and commissioning of such software and equipment are completed; if the whole set of software and equipment are ready for intend use with their interaction, the point in time for construction in progress transferred to fixed assets is the time when the installation and commissioning of the whole set of software and equipment are completed.

Methods of impairment assessment and provision for impairment are set out in Note V.24.

For sale of products or by-products generated before a fixed asset reaches ready-to-use condition, the relevant income and cost shall be accounted for separately and included in the current profit and loss in accordance with the requirements of the Accounting Standards for Business Enterprises No. 14 – Revenue and the Accounting Standards for Business Enterprises No.1 – Inventories.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Borrowing costs

☒Applicable ☐Not applicable

Borrowing costs are interests and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs include interests, amortisation of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalisation is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognised as an expense in the period in which they are incurred. Qualifying assets are assets that necessarily take a substantial period of time for construction or production to get ready for their intended use or sale.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalised is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Intangible assets

(1) Useful lives and the basis for determining the useful lives, estimates, amortisation methods or review

✓Applicable ☐Not applicable

An intangible asset is measured initially at cost. The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit period over which the asset is expected to generate economic benefits for the Group. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortised over its estimated useful life. An intangible asset with an indefinite useful life is not amortised. The amortisation methods, useful lives, and estimated net residual value rates of each class of intangible assets are as follows:

Category	Amortisation method	Basis	Useful life (Years)	Residual value rate (%)
Land use rights	Straight-line method	Legal right-of-use	40-50	—
Software licenses	Straight-line method	The authorised period agreed in the contract or the period that is expected to bring economic benefits to the Company	3-10	—
Patents, licenses and technical know-how	Straight-line method	The authorised period agreed in the contract or the period that is expected to bring economic benefits to the Company	5-10	—
Trademarks	Straight-line method	Estimated useful life is determined based on the period that is expected to bring economic benefits to the Company	20	—
Backlog orders and service contracts	Straight-line method	The period for rendering of services agreed in the contract	Period during which the service is rendered	—

For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the period, and makes adjustments when necessary. For the impairment testing of intangible assets, please refer to Note V.24.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Intangible assets (continued)

(2) Scope of research and development expenditure as well as relevant accounting treatments

✓Applicable ☐Not applicable

The Group classified various expenses related to the research and development activities as the research and development expenditure, including employee benefits, material consumption expenses, depreciation and amortisation expenses, technical service fees, office and travelling expenses as well as testing and examination fees.

The Group classifies the expenditure on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure during the research phase is recognised as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognised as intangible asset. Expenditure during development phase that does not meet the following conditions is recognised in profit or loss for the period.

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- the Group has the intention to complete the intangible asset and use or sell it;
- the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognises all of them in profit or loss for the period.

For sale of products or by-products generated during the research and development process, the relevant income and cost shall be accounted for separately and included in the current profit and loss in accordance with the requirements of the Accounting Standards for Business Enterprises No. 14 – Revenue and the Accounting Standards for Business Enterprises No.1 – Inventories.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Impairment of long-term assets

✓Applicable ☐Not applicable

The Group assesses at each balance sheet date whether there is any indication that long-term equity investment, fixed assets and construction in progress, development expenditure, long-term deferred expenses and some other non-current assets under cost method, right-of-use assets and intangible assets with a finite useful life may be impaired. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognised in profit or loss for the period.

In determining impairment losses on assets related to contract costs, impairment losses are first determined for other assets recognised in accordance with other relevant ASBEs and related to the contract; then, for assets related to contract costs, the Group shall recognise an impairment loss to the extent that the carrying amount of an asset exceeds: (1) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less (2) the estimated costs that relate to providing those goods or services.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of asset group(s) expected to benefit from the synergies of the combination. An impairment loss is recognised if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group on the pro-rata basis of the carrying amount of each asset (other than goodwill) in the group.

Except for impairment losses related to contract costs, once the impairment losses are recognised for above assets, they will not be reversed in any subsequent period. The Group shall, after the asset impairment related to contract costs has been provided, recognised in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised previously.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

25. Long-term prepaid expenses

☒Applicable ☐Not applicable

Long-term prepaid expenses represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year), including leasehold improvement. Long-term prepaid expenses are amortised using the straight-line method over the shorter of the expected useful life of the asset and the lease term.

26. Employee benefits

Employee benefits are all forms of considerations given by the Group in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. The benefits the Group provided to employees' spouse, children, dependent, and families of deceased employees and other beneficiaries also belong to employee benefits.

(1) Accounting treatment of short-term benefits

☒Applicable ☐Not applicable

Actually occurred short-term employee benefits are recognised as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognised in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as trade union fund and employee education fund provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognised as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

(2) Accounting treatment of post-employment benefits

☒Applicable ☐Not applicable

The Group's benefits after demission are all defined contribution plans, including pension insurance, work injury insurance and enterprise annuity paid by the Group for its employees.

During the accounting period of rendering service to employees of the Group, amount which should be paid according to defined contribution plans is recognised as liabilities, and recognised in profit or loss or related costs of assets.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Employee benefits (continued)

(3) Accounting treatment of termination benefits

☒Applicable ☐Not applicable

When the Group terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision shall be recognised for the compensation arising from termination of employment relationship with employees, with a corresponding charge to the profit or loss for the current year, at the earlier of when the Group cannot unilaterally withdraw from the termination plan or the redundancy offer and when the Group recognises any related restructuring costs or expenses.

(4) Accounting treatment of other long-term employee benefits

☐Applicable ☒Not applicable

27. Provisions

☒Applicable ☐Not applicable

Except for contingent consideration arising and contingent liabilities undertaken in business combinations, the Group recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied: (i) the obligation is a present obligation of the Group; (ii) it is probable that an outflow of economic benefits will be required to settle the obligation; and (iii) the amount of the obligation can be measured reliably. A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at each balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

Provisions are recognised when the Group has a present obligation related to a contingency such as warranty provisions/onerous contract/outstanding litigations, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Revenue

(1) Accounting policy for revenue recognition and measurement from business types

✓Applicable ☐Not applicable

The revenue of the Group is mainly generated from business types as follows:

- (I) Revenue from sales of goods and materials;
- (II) Revenue from rendering of maintenance service;
- (III) Revenue from construction contracts.

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increases in shareholders' equity, other than increases relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in a contract by transferring control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, the performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance; or
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Revenue (continued)

(1) Accounting policy for revenue recognition and measurement from business types (continued)

The Group determines whether it is a principal or an agent, based on whether it obtains control of the specified good or service before that good or service is transferred to a customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognises revenue in the gross amount of consideration which it has received (or which is receivable). Otherwise, the Group is an agent, and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration, or is determined according to the established amount or proportion.

Contract asset refers to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer (when that right is conditioned on something other than the passage of time). Accounting policies relating to the impairment of contract asset are specified in Note V.11. (2) The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables. Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

(2) Specific revenue recognition criteria for the Group

✓Applicable ☐Not applicable

(a) Revenue from sales of goods and materials

The Group mainly sells rail transit equipment products, and revenue is usually recognised when the products are received and accepted by customers.

(b) Revenue from rendering of maintenance service

The Group mainly provide maintenance service of rail transit equipment products, and revenue is recognised when the services are completed and accepted by customers.

(c) Revenue from construction contracts

The Group mainly produces offshore products such as deep-sea robots and engages in PV power station EPC projects, and recognises revenue according to the progress of performance.

(3) Differences in revenue recognition accounting policies due to adoption of various operating models for the same type of business

☐Applicable ✓Not applicable

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Contract costs

☒ Applicable ☐ Not applicable

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Costs of obtaining the contract

If the incremental costs (costs that will not occur if no contract obtained) incurred for obtaining the contract are expected to be recovered, the Group recognises it as an asset. The asset mentioned above shall be amortised on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates and recognised in profit or loss for the period. If the amortisation period of the asset does not exceed one year, it is recognised in profit or loss for the period in which it occurs. Other expenses incurred by the Group for obtaining the contract are recognised in profit or loss for the period in which it occurs, except costs that are explicitly chargeable to the customer.

Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of other standard other than standards on revenue, the Group shall recognised an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (i) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (ii) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (iii) the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds: (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less (ii) the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

30. Government grants

☒ Applicable ☐ Not applicable

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Government grants (continued)

Determination basis and accounting treatment of government grants related to assets

Government grants related to assets refer to those acquired by the Group for the purpose of purchasing or constructing or forming long-term assets by other means. A government grant related to an asset is recognised as deferred income and included in profit or loss over the useful life of the related asset on an average distribution basis. The relevant asset is sold, transferred, scrapped or damaged prior to the end of its useful life, the related undistributed deferred income is transferred to the profit or loss of the disposal period.

Determination basis and accounting treatment of government grants related to income

Government grants received by the Group other than those related to assets are recognised as government grants related to income. The Group classifies government grants whose nature is difficult to distinguish as government grants related to income.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income and recognised in profit or loss over the periods in which the related costs or losses are recognised; if the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss.

Discount interest on preferential loans obtained by the Group is allocated to the lending bank, which will provide loans to the Group at the policy concessionary interest rate. The Group uses the actual amount of borrowings received as the recording value of the borrowings and calculates the relevant borrowing costs based on the principal amount of the borrowings and the policy concessionary interest rate.

A government grant related to the Group's daily activities is recognised in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is recognised in non-operating income.

For the return of a government grant already recognised, if there is any related deferred income, the repayment is offset against the carrying amount of the deferred income, with any excess recognised in profit or loss for the period.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Deferred tax assets and deferred tax liabilities

✓Applicable ☐Not applicable

Income tax expenses comprise current and deferred tax. Current and deferred tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in other comprehensive income or in shareholders' equity, in which case they are recognised in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

(1) Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

(2) Deferred tax assets and deferred tax liabilities

For differences between the carrying amounts of certain assets or liabilities and their tax base, or between the carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

For temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a single transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction and does not result in taxable temporary differences of equal amount and deductible temporary differences, no deferred tax asset or liability is recognised.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realised or the liability is settled.

On the balance sheet date, the Group will review the carrying value of the deferred income tax asset and write down the carrying value of the deferred income tax asset if it is likely to fail to obtain sufficient taxable income to offset the benefit of the deferred income tax asset in the future. The amount written down is reversed when sufficient taxable income is likely to be obtained.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Deferred tax assets and deferred tax liabilities (continued)

(3) Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis. When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

32. Leases

Lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration.

At inception of the contracts, the Group assesses whether the contract is, or contains, a lease. Unless the terms and conditions of the contract are changed, the Group does not reassess whether a contract is, or contains, a lease.

✓Applicable ☐Not applicable

Judgemental basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees

✓Applicable ☐Not applicable

The Group elects not to recognise right-of-use assets or lease liabilities for short-term leases and leases for which the underlying asset is of low value, including leasing of plant and buildings, machinery and equipment, vehicles, office facilities and others. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and has no options to purchase. A lease for which the underlying asset is of low value is that, the value of the underlying asset is low when it is new. For short-term leases and leases for which the underlying asset is of low value, the Group recognises the lease payments associated with those leases as an expense or cost of relevant asset on a straight-line basis over the lease term.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Leases (continued)

Lease classification criteria and accounting treatment as a lessee

✓Applicable ☐Not applicable

(1) Separating components of a lease

For a contract that contains lease and non-lease components, the Group allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease components and the aggregate stand-alone price of the non-lease components.

(2) Right-of-use assets

Except for short-term leases and leases for which the underlying asset is of low value, at the commencement date of the lease, the Group recognises right-of-use assets. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Group. The Group measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, if there is a lease incentive, less any lease incentives;
- any initial direct costs incurred by the Group;
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, exclusive of the cost incurred for production of inventories.

Right-of-use assets are depreciated based on depreciation provisions in the Accounting Standards for Business Enterprises No. 4 – Fixed Assets. If the Group is reasonably certain, that the lease will transfer ownership of the underlying asset to the Group by the end of the lease term, the right-of-use assets is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use assets is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

For the method of testing the impairment of the right-of-use asset and the method of determining impairment provision, please refer to Note V.24 for details.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Leases (continued)

(3) Lease liabilities

Except for short-term leases and leases for which the underlying asset is of low value, at the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. The Group determines the present value of the lease payments using the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The lease payments comprise the following payments by the Group for the right to use the underlying asset during the lease term, including:

- fixed payments (including in-substance fixed payments), if there is a lease incentive, less any lease incentives;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease;
- amounts expected to be paid under residual value guarantees provided by the Group.

The variable lease payments, depending on the index or ratio, are determined at the initial measurement based on the index or proportion at the beginning of the lease term. The variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss or related asset costs when incurred.

After the commencement date of the lease, interest on the lease liabilities in each period during the lease term is calculated by a constant periodic rate of interest on the remaining balance of the lease liabilities, and recognised in profit or loss or the cost of relevant assets.

Subsequent to the commencement date of a lease, in case of any of the following circumstances, the Group remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use assets. Where the lease liabilities need to be further reduced even the carrying amount of right-of-use assets has been reduced to zero, the Group recognises the difference in profit or loss for the current period.

- there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, the Group re-measures the lease liabilities, on the basis of the revised lease term and the revised discount rate;
- there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group re-measures the lease liabilities, on the basis of the revised lease payments and the unchanged discount rate. If the change of lease payment arises from the change of variable interest rate, the revised discount rate shall be used to calculate the present value.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Leases (continued)

(4) Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets;
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the consideration in the contract, and re-measures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

If a lease modification reduces the scope of the lease or shortens the lease term, the Group shall reduce the carrying amount of right-of-use assets accordingly, and recognise the gains or losses on part or complete derecognition of lease in profit or loss of the period. For other lease modifications that result in re-measurement of lease liabilities, the Group shall adjust the carrying amount of right-of-use assets accordingly.

Criteria for classification and accounting treatment of leases as lessors

✓Applicable ☐Not applicable

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Leases (continued)

(1) Separating components of a lease

Where the contract includes both the lease and non-lease components, the Group apportions the contract consideration according to the provisions of Note V.28 on the transaction price sharing. The basis of the apportionment is the individual selling price of the leased part and the non-lease part.

(2) Classification of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(3) The Group as a lessor under operating leases

Receipts of lease under operating leases are recognised as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalised when incurred, and are recognised in profit or loss for the current period on the same basis as recognition of rental income over the lease term. The variable receipts of lease received by the Group that are related to operating leases and not included in receipts of lease are recognised in profit or loss for the period when they are incurred.

(4) Subleases

As the lessor of a sublease, the Group accounts for the original lease contract and the sublease contract on a separate basis. The Group classifies the subleases based on the right-of-use assets generating from the original lease rather than the underlying assets of the original lease.

(5) Lease modifications

For an operating lease modification, the Group accounts for it as a separate lease since the effective date of the modification. The amount received in advance or lease receivable related to the lease before the modification shall be treated as the receivable of the new lease.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

33. Other significant accounting policies and accounting estimates

✓Applicable ☐Not applicable

(1) Profit distribution

The proposed dividend distribution after balance sheet date will not be included in liabilities on balance sheet date, and will be disclosed individually in notes.

(2) Production safety expenses

Production safety expenses accrued based on the relevant regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period, and provided as a fund in the special reserve. When the expenditures are utilised as expenses, they should be recognised in the statement of profit or loss and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognised in the cost of fixed assets, which will be recognised when it is ready for use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

(3) Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the state and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

34. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are the same or similar in respect of the nature of products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Reportable segments are identified based on operating segments taking into account of materiality principle.

For segment reporting, inter-segment revenues are measured on the basis of the actual transaction prices for such transactions, and segment accounting policies are consistent with those used to prepare the consolidated financial statements.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

35. Critical judgement in applying accounting policies and key assumptions and uncertainties in accounting estimates

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual circumstances may differ from these estimates. The Group's management continuously evaluates the key assumptions and judgments involved in the estimates and uncertainties, and the effects of changes in accounting estimates are recognized in the period in which the changes are made and in future periods.

Critical accounting estimates

Other than the accounting estimates relating to depreciation and amortization of assets such as fixed assets and intangible assets (refer to Notes V.20 and 23) and impairment of various assets (refer to Notes V.11, 19, 24 and Notes XIX.1 and 2), the other major accounting estimates are set out below:

- (1) Revenue recognition – The Group recognizes revenue from construction contracts over a period of time, as described in Note V.28. The recognition of revenue and profit from construction contracts depends on the Group's estimates of the contract outcome and the progress of performance. If the actual amount of total revenue and total costs incurred is higher or lower than management's estimates, it will affect the amount of revenue and profit recognized by the Group in future periods;
- (2) Note VII.20 – Recognition of deferred tax assets;
- (3) Note VII.35 – Provision for product quality assurance;

36. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

☐ Applicable ☒ Not applicable

(2) Changes in significant accounting estimates

☐ Applicable ☒ Not applicable

(3) Financial statements for which adjustments were made to the opening balances in the initial year of application of new accounting standards or interpretation since 2025

☐ Applicable ☒ Not applicable

37. Others

☐ Applicable ☒ Not applicable

Section VIII Financial Report

VI. TAXATION

1. Major categories of taxes and respective tax rates

Major categories of taxes and respective tax rates

✓Applicable ☐Not applicable

Tax category	Tax basis	Tax rate
Value-added tax ("VAT")	The output VAT calculate based on taxable income. VAT payable is the net difference between output VAT and deductible input VAT	6-13%
City maintenance and construction tax	VAT actually paid	5%, 7%
Education surcharges	VAT actually paid	3%
Local education surcharges	VAT actually paid	2%
Enterprise income tax	Taxable income	25%

Tax payers with different income tax rates, the disclosure description

✓Applicable ☐Not applicable

The statutory corporate income tax rate for the Company and its domestic subsidiaries is 25%, and the preferential tax rate enjoyed is detailed in the following 2. Tax incentives (2) income tax. The corporate income tax rate applicable to the main overseas subsidiaries of the Company is detailed in the table below:

Name of taxpayer	Income Tax Rate (%)
Specialist Machine Developments Limited ("SMD")	25.00
Dynex Power Inc. ("Canada Dynex")	26.50

2. Tax incentive

✓Applicable ☐Not applicable

(1) Value-added tax ("VAT")

In accordance with the Notice of the Ministry of Finance and the State Administration of Taxation on Value-added Tax Policies for Software Products (Cai Shui [2011] No. 100), for the sales of self-developed and produced software products by the Company and its subsidiaries, Zhuzhou Times Electronics Technology Co., Ltd. ("CRRC Times Electronics"), Ningbo CRRC Times Transducer Technology Co., Ltd. ("Ningbo CRRC Times"), Zhuzhou CRRC Times Software Technology Co., Ltd. ("CRRC Times Software"), Hunan CRRC Signal Co., Ltd. ("Hunan CRRC Signal"), Zhuzhou National Engineering Research Centre of Converters Co., Ltd. ("CRRC National Centre of Converters"), Ningbo CRRC Times Electric Equipment Co., Ltd. ("Ningbo CRRC Electric"), the refund-upon-collection policy shall be applied to the part of actual VAT burden in excess of 3%.

Section VIII Financial Report

VI. TAXATION (continued)

2. Tax incentive (continued)

(1) Value-added tax ("VAT") (continued)

According to the "Announcement of the Ministry of Finance and the State Administration of Taxation on the Policy of Value-added Tax Credits and Deductions for Enterprises in Advanced Manufacturing Industry (Announcement of the Ministry of Finance and the State Administration of Taxation No. 43 of 2023), the Company and its subsidiaries, Baoji CRRC Times Engineering Machinery Co., Ltd. ("Baoji CRRC Times"), Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. ("Taiyuan CRRC Times"), CRRC SMD (Shanghai) Co., Ltd. ("Shanghai SMD"), Times Electronics, CRRC National Centre of Converters, Hunan CRRC Signal, Qingdao CRRC Electric Equipment Co., Ltd. ("Qingdao CRRC Electric"), Ningbo CRRC Times, Ningbo CRRC Electric, Chongqing CRRC Times Electric Technology Co. ("Chongqing CRRC Electric"), Wuxi CRRC Times Electric Drive Technology Co., Ltd. ("Wuxi CRRC Electric Drive") are allowed to deduct extra 5% of the deductible input tax in the current period from the VAT payable from 1 January 2023 to 31 December 2027. Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on the Weighted Deduction Policy for Value-added Tax on Integrated Circuit Enterprises (Announcement No.17 [2023] of the Ministry of Finance and the State Taxation Administration), Zhuzhou CRRC Times Semiconductor Co., Ltd. (Hereinafter referred to as "CRRC Times Semiconductor"), a subsidiary of the Company, is allowed to deduct extra 15% of the deductible input tax in the current period from the VAT payable from 1 January 2023 to 31 December 2027.

(2) Enterprise income tax

The main tax incentives for enterprise income tax of the Group are as follows:

In accordance with the provisions of Article 28 under the Enterprise Income Tax Law of the People's Republic of China, high-tech enterprises that require government support are subject to a reduced enterprise income tax rate of 15%. The Company and its subsidiaries CRRC Times Software, CRRC Times Electronics, Ningbo CRRC Electric, Ningbo CRRC Times, CRRC National Centre of Converters, Hunan CRRC Signal, Baoji CRRC Times, Taiyuan CRRC Times, Qingdao CRRC Electric, Shanghai SMD, Hunan CRRC Times E-Drive Technology Co., Ltd. ("Hunan CRRC Electric Drive"), Wuxi CRRC Electric Drive, and CRRC Commercial Vehicle Power Technology, obtained the high-tech enterprise certificates approved by the corresponding tax authorities from 2022 to 2024, and were subject to a reduced enterprise income tax rate of 15% in 2024 and 2025.

In accordance with the Notice of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration on Tax Policy Issues concerning Further Implementing the Western China Development Strategy (Cai Shui [2011] No. 58), and the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China (Cai Shui [2020] No. 23), Kunming CRRC Times Electric Equipment Co., Ltd. ("Kunming Electric") and Chengdu CRRC Times Electric Technology Co., Ltd. ("Chengdu CRRC Electric"), Chongqing CRRC Electric meet the relevant provisions of the preferential enterprise income tax policy for the Western China Development, and therefore Kunming Electric and Chengdu CRRC Electric were subject to a reduced enterprise income tax rate of 15% in 2024 and 2025.

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VI. TAXATION (continued)

2. Tax incentive (continued)

(2) Enterprise income tax (continued)

In accordance with the Circular on Printing and Issuing the List of the Integrated Circuit Enterprises or Projects and Software Enterprises Entitled to Enjoy the Preferential Taxation Policies (Fa Gai Gao Ji [2021] No. 756) issued by the National Development and Reform Commission ("NDRC"), the Ministry of Industry and Information Technology ("MIIT"), the MoF, the General Administration of Customs and the State Taxation Administration ("STA") and the Circular of the State Council on Printing and Issuing Certain Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry in the New Times (Guo Fa [2020] No. 8) issued by the State Council, the manufacturers for integrated circuit with line width less than 130 nanometres (inclusive) have been entitled to the preferential policy of "two-year exemption and three-year half payment for enterprise income tax, CRRC Times Semiconductor, a subsidiary of the Company, has been entitled to the preferential tax policy of "two-year exemption and three-year half payment since 2019, and was subject to a preferential enterprise income tax rate of 12.5% in 2022 and 2023. CRRC Times Semiconductor obtained the high-tech enterprise certificate in October 2023, and will be subject to an enterprise income tax at a reduced rate of 15% from 2024.

In accordance with the Enterprise Income Tax Law of the People's Republic of China, the Notice of the Ministry of Finance, the State Taxation Administration and the Ministry of Science and Technology on Improving the Policies for the Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2015] No. 119), the Announcement on Further Improvements to Policies for Weighted Pre-tax Deduction of R&D Expenses (Announcement [2023] No. 7 of the Ministry of Finance and the State Taxation Administration), the Announcement of the Ministry of Finance, the State Taxation Administration and the Ministry of Science and Technology on Increasing Efforts for Pre-tax Deduction to Support Scientific and Technological Innovation (Announcement [2022] No.28) and the Announcement on Increasing the Proportion of Weighted Deduction of R&D Expenses of Enterprises for Integrated Circuit and Industrial Master Machine (Announcement [2023] No.44), regarding the R&D expenses actually incurred in the course of R&D activities in the manufacturing industry by the Company and its subsidiaries, including CRRC Times Electronics, Baoji CRRC Times, Ningbo CRRC Times, Ningbo CRRC Electric, Qingdao CRRC Electric, Hunan CRRC Signal, CRRC National Centre of Converters, Shanghai CRRC SMD, Chongqing CRRC Electric, Taiyuan CRRC Times, Shenyang CRRC Times Transportation Equipment Co., Ltd. ("Shenyang CRRC Times"), CRRC Times Software, Hunan CRRC Times Electric Drive Technology Co., Ltd. ("Hunan CRRC Electric Drive"), Wuxi CRRC Electric Drive, Yixing CRRC Times Semiconductor Co., Ltd, and CRRC Commercial Vehicle Power Technology , an extra 100% of the amount of R&D actually incurred in 2024 and 2025 is deductible before tax payment, in addition to the deduction of actual expenses as prescribed, provided that the said expenses are not recognised as intangible asset and included in the current profits and losses; if the said expenses have been recognised as an intangible asset, such expenses may be amortised at the rate of 200% of the costs of the intangible assets before tax payment in 2024 and 2025. For CRRC Times Semiconductor, an extra 120% of the amount of R&D actually incurred during the period from 1 January 2023 to 31 December 2027 is deductible before tax payment, in addition to the deduction of actual expenses as prescribed, provided that the said expenses are not recognised as intangible asset and included in the current profits and losses; if the said expenses have been recognised as an intangible asset, such expenses may be amortised at the rate of 220% of the costs of the intangible assets before tax payment in the above period.

3. Others

☐ Applicable ☒ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	18,718	15,907
Bank deposits	7,012,288,328	6,694,340,232
Other monetary funds	630,909,443	1,981,380,055
Cash deposited in the finance company	58,295,316	1,976,443,020
Total	7,701,511,805	10,652,179,214
Including: Total funds deposited overseas	453,676,961	1,786,736,265

The Group's other monetary funds are as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Security deposits of the letter of guarantee	—	23,008
Project supervision funds	131,356,641	108,128,489
Security deposits of the bank acceptances	471,586,066	483,602,182
Equity repurchase securities account funds	27,966,736	1,389,626,376
Total	630,909,443	1,981,380,055

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

1. Cash and bank balances (continued)

The Group's time deposits at the bank with more than three months that are not pledged are as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Time deposits with more than three months	<u>1,545,705,962</u>	<u>1,033,226,342</u>

Other information

Interest income from demand deposits is earned at the banks' interest rates of demand deposits. Short-term time deposits have a deposit term ranging from 1 day to 3 months, depending on the Group's cash needs, and interest income is earned at the banks' corresponding interest rates of time deposits.

The funds in the securities account for share repurchase are represented by the funds deposited in the securities account for repurchasing the Company's shares.

2. Held-for-trading financial assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Specify the justification and basis
Financial assets at FVTPL	<u>182,972,219</u>	3,533,861,455	/
Including:			
Structured deposits	<u>182,972,219</u>	<u>3,533,861,455</u>	/
Total	<u>182,972,219</u>	<u>3,533,861,455</u>	/

Other information:

☒Applicable ☐Not applicable

As at 30 June 2025, the yield rate per annum of structured deposits held by the Group ranges from 1.75% to 2.35% (31 December 2024: 1.17% to 3.37%).

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable

(1) Category of bills receivable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptances	63,434,112	148,287,792
Commercial acceptances	3,609,895,094	3,010,339,994
Acceptance bill of CRRC Finance Co., Ltd	86,222,860	69,759,641
Less: Provision for credit loss	3,996,290	3,798,831
Total	3,755,555,776	3,224,588,596

(2) Pledged bills receivable at the end of the period

☐ Applicable ☒ Not applicable

(3) Bills receivable endorsed or discounted by the Group at the end of the period and not yet due on the balance sheet date

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptances	—	39,110,407
Commercial acceptances	—	785,019,148
Total	—	824,129,555

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable (continued)

(4) Notes receivable for which provision for credit loss is assessed on a portfolio basis

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance			Gross carrying amount		Credit loss allowance		
	Amount	Percentage(%)	Amount	Proportion of provision(%)	Book value	Amount	Percentage(%)	Amount	Proportion of provision(%)	Book value
Provision on portfolio basis	3,759,552,066	100.00	3,996,290	0.11	3,755,555,776	3,228,387,427	100.00	3,798,831	0.12	3,224,588,596
including:										
Commercial acceptances	3,609,895,094	96.02	3,996,290	0.11	3,605,898,804	3,010,339,994	93.25	3,798,831	0.13	3,006,541,163
Bank acceptances	63,434,112	1.69	-	-	63,434,112	148,287,792	4.59	-	-	148,287,792
Acceptance bill of CRRC Finance Co., Ltd	86,222,860	2.29	-	-	86,222,860	69,759,641	2.16	-	-	69,759,641
Total	3,759,552,066	100.00	3,996,290	0.11	3,755,555,776	3,228,387,427	100.00	3,798,831	0.12	3,224,588,596

Bank acceptances

As at 30 June 2025, the Group considered that the credit rating of the acceptance bank was relatively high and there was no significant credit risk. Therefore, no provision for credit losses was made.

Commercial acceptances

Provision for credit loss of commercial acceptances is assessed on a portfolio basis of four categories of customers, each of which involves a large number of customers with the same risk characteristics.

Bills receivable for which provision for credit loss is assessed individually:

☐ Applicable ☒ Not applicable

Analysis of bills receivable for which provision for credit loss is assessed on a portfolio basis of four categories of customers is as follows:

☒ Applicable ☐ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable (continued)

(4) Notes receivable for which provision for credit loss is assessed on a portfolio basis (continued)

Commercial acceptances (continued)

Portfolio accrual items:

30 June 2025

Unit: Yuan Currency: RMB

Item	Closing balance		Expected average loss rate (%)
	Gross carrying amount	Provision for credit loss	
Bank acceptances	63,434,112	—	—
Acceptance bill of CRRC Finance Co., Ltd	86,222,860	—	—
Receivables from central state-owned enterprise except State Railway Group	2,330,339,009	2,330,710	0.10
Receivables from local government or local state-owned enterprise	32,426,189	324,262	1.00
Receivables from State Railway Group (Note)	1,241,821,069	1,241,821	0.10
Receivables from other customers	5,308,827	99,497	1.87
Total	3,759,552,066	3,996,290	

Note: State Railway Group represents China State Railway Group Co., Ltd., and its affiliates.

31 December 2024

Unit: Yuan Currency: RMB

Item	Opening balance		Expected average loss rate (%)
	Gross carrying amount	Provision for credit loss	
Bank acceptances	148,287,792	—	—
Acceptance bill of CRRC Finance Co., Ltd	69,759,641	—	—
Receivables from central state-owned enterprise except State Railway Group	1,658,791,132	1,658,791	0.10
Receivables from local government or local state-owned enterprise	20,250,000	202,500	1.00
Receivables from State Railway Group	1,298,321,198	1,298,321	0.10
Receivables from other customers	32,977,664	639,219	1.94
Total	3,228,387,427	3,798,831	

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable (continued)

(4) Notes receivable for which provision for credit loss is assessed on a portfolio basis (continued)

Recognition criteria and description of accrual provision for credit loss

☐ Applicable ☒ Not applicable

Provisions for bad and doubtful debts based on the general model of ECL

☐ Applicable ☒ Not applicable

Basis of stage classification and percentage of provision for bad and doubtful debts

Loss allowances for bills receivable are measured at an amount equal to lifetime ECL.

A description of significant changes in the carrying amount of accounts receivable for which a change in the allowance for losses occurred during the period:

☐ Applicable ☒ Not applicable

(5) Provision for credit loss of bills receivable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Change amount in the current period			Closing balance
			Recoveries or reversals	Transfers out or written-off	Other changes	
Commercial acceptances	3,798,831	4,110,051	-3,912,592	-	-	3,996,290
Total	3,798,831	4,110,051	-3,912,592	-	-	3,996,290

Significant recoveries or reversals during the period:

☐ Applicable ☒ Not applicable

Other information:

None

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable (continued)

(6) Bills receivable actually written off in the current period

☐Applicable ☒Not applicable

Significant write-offs of notes receivable:

☐Applicable ☒Not applicable

Description of notes receivable write-offs:

☐Applicable ☒Not applicable

Other information:

☒Applicable ☐Not applicable

As at 30 June 2025, bills receivable due from related parties of the Group are set out in Note XIV.6.

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable

(1) Disclosed by ageing

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 6 months	9,935,058,577	9,167,231,770
6 months to 1 year	2,108,214,410	1,271,023,645
Subtotal within 1 year	12,043,272,987	10,438,255,415
1 to 2 years	1,082,271,235	1,249,736,606
2 to 3 years	603,536,093	459,066,671
Over 3 years	343,432,228	286,206,933
Total	14,072,512,543	12,433,265,625
Less: Provision for credit loss	1,035,786,695	820,880,052
Book Value	13,036,725,848	11,612,385,573

The aging of accounts receivable of the Group is divided based on the relevant document date.

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance			Gross carrying amount		Credit loss allowance		
	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value
Provision on individual basis	209,343,604	1.49	209,343,604	100.00	-	206,911,652	1.66	95,735,641	46.27	111,176,011
Provision on portfolio basis	13,863,168,939	98.51	826,443,091	5.96	13,036,725,848	12,226,353,973	98.34	725,144,411	5.93	11,501,209,562
Including:										
Receivables from central state-owned enterprise except State Railway Group	6,974,915,882	49.56	143,357,079	2.06	6,812,313,435	6,042,653,357	48.60	117,308,069	1.94	5,925,345,288
Receivables from local government or local state-owned enterprise	3,062,598,945	21.76	546,070,756	17.83	2,535,773,557	2,696,354,561	21.69	491,921,167	18.24	2,204,433,394
Receivables from State Railway Group	1,378,506,838	9.80	8,164,615	0.59	1,370,342,223	1,548,375,625	12.45	7,845,274	0.51	1,540,530,351
Receivables from other customers	2,447,147,274	17.39	128,850,641	5.27	2,318,296,633	1,938,970,430	15.60	108,069,901	5.57	1,830,900,529
Total	14,072,512,543	100.00	1,035,786,695	/	13,036,725,848	12,433,265,625	100.00	820,880,052	/	11,612,385,573

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Material accounts receivable for which provision for credit loss is assessed individually:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Entity	Gross carrying amount	Closing balance		Reason for provision
		Provision for credit loss	Proportion of provision (%)	
Customer 121496	123,528,901	123,528,901	100.00	Low probability of recovery
Customer 124285	16,035,328	16,035,328	100.00	Low probability of recovery
Customer 122664	14,273,505	14,273,505	100.00	Low probability of recovery
Customer 123950	10,648,800	10,648,800	100.00	Low probability of recovery
Customer 122301	8,122,985	8,122,985	100.00	Low probability of recovery
others	36,734,085	36,734,085	100.00	Low probability of recovery
Total	209,343,604	209,343,604	100.00	/

Description of accounts receivable for which credit loss allowance is provided on an individual basis:

☐ Applicable ☒ Not applicable

Analysis of accounts receivable for which credit loss allowance is provided on a portfolio basis:

☒ Applicable ☐ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Items for which the credit loss is assessed collectively: Receivables from central state-owned enterprise except State Railway Group

30 June 2025

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	5,502,802,749	63,363,716	1.15
6 months to 1 year	836,257,455	13,087,365	1.56
1 to 2 years	430,939,861	21,663,183	5.03
2 to 3 years	138,120,672	16,325,364	11.82
Over 3 years	66,795,145	28,917,451	43.29
Total	6,974,915,882	143,357,079	

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Opening balance Provision for credit loss	Proportion of provision (%)
Within 6 months	4,896,759,000	56,511,790	1.15
6 months to 1 year	587,790,141	10,188,594	1.73
1 to 2 years	433,219,658	21,007,397	4.85
2 to 3 years	82,579,928	12,887,180	15.61
Over 3 years	42,304,630	16,713,108	39.51
Total	6,042,653,357	117,308,069	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Items for which the credit loss is assessed collectively: Receivables from local government or local state-owned enterprise

30 June 2025

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,466,152,447	148,685,529	10.28
6 months to 1 year	531,529,962	71,588,396	13.47
1 to 2 years	499,798,400	108,965,425	21.80
2 to 3 years	361,158,323	109,130,714	30.22
Over 3 years	223,959,813	107,700,692	48.09
Total	3,062,598,945	546,070,756	

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Opening balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,170,720,368	118,907,175	10.16
6 months to 1 year	412,640,466	48,281,799	11.70
1 to 2 years	610,643,575	134,719,769	22.06
2 to 3 years	285,347,730	85,336,644	29.91
Over 3 years	217,002,422	104,675,780	48.24
Total	2,696,354,561	491,921,167	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Items for which the credit loss is assessed collectively: Receivables from State Railway Group

30 June 2025

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	903,355,961	2,979,200	0.33
6 months to 1 year	455,589,012	3,769,535	0.83
1 to 2 years	13,041,852	303,327	2.33
2 to 3 years	4,802,707	548,970	11.43
Over 3 years	1,717,306	563,583	32.82
Total	1,378,506,838	8,164,615	

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Opening balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,399,680,852	5,721,113	0.41
6 months to 1 year	98,888,081	603,911	0.61
1 to 2 years	46,717,483	1,139,302	2.44
2 to 3 years	1,798,365	187,321	10.42
Over 3 years	1,290,844	193,627	15.00
Total	1,548,375,625	7,845,274	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Items for which the credit loss is assessed collectively: Receivables from other customers

30 June 2025

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	2,082,277,445	73,327,969	3.52
6 months to 1 year	159,757,396	14,108,436	8.83
1 to 2 years	119,296,423	18,686,057	15.66
2 to 3 years	57,790,045	12,398,330	21.45
Over 3 years	28,025,965	10,329,849	36.86
Total	2,447,147,274	128,850,641	

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Opening balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,568,907,316	58,516,337	3.73
6 months to 1 year	154,375,517	11,686,681	7.57
1 to 2 years	149,935,641	22,482,779	14.99
2 to 3 years	56,808,794	12,016,138	21.15
Over 3 years	8,943,162	3,367,966	37.66
Total	1,938,970,430	108,069,901	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Provisions for bad and doubtful debts based on the general model of ECL

☐ Applicable ☒ Not applicable

Basis of stage classification and percentage of provision for bad and doubtful debts

Loss allowances for trade receivables are measured at an amount equal to lifetime ECL.

The description of significant changes in the carrying amount of accounts receivable for which a change in the allowance for losses occurred during the period:

☐ Applicable ☒ Not applicable

(3) Provision for credit loss of accounts receivable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change amount in the current period					Closing balance
		Transferred to credit-impaired losses	Provision	Recoveries or reversals	Transfers out or written-off	Others	
Lifetime ECL (Not credit – impaired)	310,417,401	-14,069,031	104,142,120	–	–	97,533	400,588,023
Lifetime ECL (Credit – impaired)	510,462,651	14,069,031	122,312,660	-10,823,292	-822,378	–	635,198,672
Total	820,880,052	–	226,454,780	-10,823,292	-822,378	97,533	1,035,786,695

Significant recoveries or reversals during the current period:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(4) Accounts receivable that are actually written-off are as follows

☐ Applicable ☒ Not applicable

Significant accounts receivable write-offs

☐ Applicable ☒ Not applicable

Description of accounts receivable write-offs:

☐ Applicable ☒ Not applicable

(5) Top five accounts receivable and contract assets categorised by debtors

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing balance of accounts receivable	Closing balance of contract assets	Book value	Proportion to total accounts receivable and contract assets (%)	Closing provision for credit loss
Customer 100507	2,260,497,165	44,501,159	2,304,998,324	14.26	38,064,478
Customer 103233	443,670,331	124,656,358	568,326,689	3.51	80,892,779
Customer 100511	359,997,827	4,471,607	364,469,434	2.25	6,595,925
Customer 110081	240,065,556	3,681,040	243,746,596	1.51	1,581,440
Customer 123484	211,125,112	8,357,946	219,483,058	1.36	5,138,079
Total	<u>3,515,355,991</u>	<u>185,668,110</u>	<u>3,701,024,101</u>	<u>22.89</u>	<u>132,272,700</u>

The closing balance of contract assets includes contract assets shown in "other non-current assets".

Other information:

None

Other information:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Contract assets

(1) Details of contract assets

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for asset loss	Book value	Gross carrying amount	Provision for asset loss	Book value
Quality guarantee funds receivable	1,777,501,799	111,957,778	1,665,544,021	1,742,828,286	110,479,156	1,632,349,130
Construction service contract assets	319,323,062	5,352,880	313,970,182	273,566,357	5,042,743	268,523,614
Less: Contract assets included in other non-current assets (Note VII. 21)	851,709,359	49,759,296	801,950,063	965,628,237	60,248,484	905,379,753
Total	1,245,115,502	67,551,362	1,177,564,140	1,050,766,406	55,273,415	995,492,991

The quality guarantee funds receivable mentioned above mainly include quality guarantee funds related to sales contracts, construction contracts and maintenance service contracts. The Group's construction contracts related to the construction of some offshore products such as deep-sea robots are recognised based on the performance progress. Any difference between the revenue recognised based on the performance progress and the contract consideration collected after the customer completes the acceptance check and work settlement shall be recognised as contract assets, because the contractual terms and conditions for receiving the consideration are not yet satisfied. When the Group is unconditionally entitled to consideration upon provision of corresponding services to the customer, the contract assets would be recognised as accounts receivable.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Contract assets (continued)

(2) Amount and reasons for significant changes in book value during the reporting period

☐Applicable ☒Not applicable

(3) Disclosure by bad debt accrual method

☐Applicable ☒Not applicable

Material contract assets for which provision for credit loss is assessed individually:

☐Applicable ☒Not applicable

Description of contract assets for which credit loss allowance is provided on an individual basis:

☐Applicable ☒Not applicable

Contract assets for which credit loss allowance is provided on a portfolio basis:

☐Applicable ☒Not applicable

Provisions for bad and doubtful debts based on the general model of ECL

☐Applicable ☒Not applicable

Basis of stage classification and percentage of provision for bad and doubtful debts

Loss allowances for contract assets are measured at an amount equal to lifetime ECLs.

Descriptions on significant movements in the carrying amount of contract assets which have seen:

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Contract assets (continued)

(4) Provision for asset loss of contract assets is as follows

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items	Provision during the period	Recoveries or reversals during the period	Transfer out/ written-off	Differences resulting from the translation of foreign currency financial statements	Reason
Lifetime ECL– Not credit impaired	23,800,042	-12,789,815	–	182,900	/
Lifetime ECL – Credit impaired	1,084,820	–	–	–	/
Total	24,884,862	-12,789,815	–	182,900	/

The amount of bad debt provisions recovered or reversed during the period is significant:

☐ Applicable ☒ Not applicable

Other information:

As at 30 June 2025, book value of contract assets of related parties of the Group are set out in Note XIV. 6.

(5) Actual contract assets written off during the period

☐ Applicable ☒ Not applicable

Significant contract assets write-offs:

☐ Applicable ☒ Not applicable

Description of contract assets write-offs

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Trade receivables financing

(1) Presentation of receivables financing classifications

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bills receivable measured at fair value	1,372,655,833	1,286,784,981
Trade receivable measured at fair value	2,069,848,119	2,534,918,377
Total	3,442,503,952	3,821,703,358

(2) Increase/decrease changes and fair value changes of trade receivables financing in the current period

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cost	3,486,989,936	3,879,171,198
Carrying amount	3,442,503,952	3,821,703,358
Accumulated changes in fair value	-44,485,984	-57,467,840

The Group discounted and endorsed a part of bank acceptances while transferred a part of accounts receivable according to its daily fund management needs, which qualified for derecognition. Therefore, such part of notes receivable and accounts receivable were classified by the Group as financial assets at fair value through other comprehensive income.

(3) Bills receivable pledged at the end of the period

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Trade receivables financing (continued)

(4) Notes receivable endorsed or discounted by the Group at the end of the period and not yet due on the balance sheet date

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at the end of the period
Bank acceptances	1,303,246,237
Commercial acceptances	—
Total	1,303,246,237

The Group believes that substantially all of the risks and rewards of ownership of such endorsed or discounted bills receivable have been transferred to the supplier or the bank, and therefore such endorsed or discounted bills receivable are derecognised.

(5) Disclosure by bad debt accrual method

☐Applicable ☒Not applicable

Provision for bad debts is made on an individual basis:

☐Applicable ☒Not applicable

Description of bad debt provisioning by individual item:

☐Applicable ☒Not applicable

Provision for bad debts by portfolio:

☐Applicable ☒Not applicable

Provisions for bad and doubtful debts based on the general model of ECL

☐Applicable ☒Not applicable

Basis of stage classification and percentage of provision for bad and doubtful debts

None

Explanation of significant changes in the carrying amount of receivables financing for which changes in the allowance for losses occurred during the period:

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Trade receivables financing (continued)

(6) Provision for bad debts

☐Applicable ☒Not applicable

Provision for bad debts for the period recovered or reversed in amounts that are significant:

☐Applicable ☒Not applicable

Other description:

None

(7) Receivables financing actually written off during the period

☐Applicable ☒Not applicable

Significant accounts receivable financing written off during the period

☐Applicable ☒Not applicable

Description of write-offs:

☐Applicable ☒Not applicable

(8) Changes in trade receivables financing and fair value changes:

☐Applicable ☒Not applicable

(9) Other information:

☒Applicable ☐Not applicable

As at 30 June 2025, trade receivables financing due from related parties of the Group are set out in Note XIV 、6

Section VIII Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Prepayments

(1) Ageing analysis of prepayments is as follows

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance		Opening balance	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	584,030,645	87.92	491,170,562	84.41
1 to 2 years	44,613,860	6.72	68,403,861	11.76
2 to 3 years	21,992,111	3.31	18,731,073	3.22
Over 3 years	13,616,142	2.05	3,557,896	0.61
Total	664,252,758	100.00	581,863,392	100.00

Explanation of reasons for failure to settle prepayments with account age exceeding 1 year and significant amount in a timely manner:

On the balance sheet Date, the large prepayments with an aging of over 1 year are as follows:

Unit: Yuan Currency: RMB

Name of the entity	Carrying amount	Aging
Supplier 739007	15,390,129	1 to 2 years
Supplier 718929	15,079,553	1 to 2 years and 2 to 3 years
Supplier 31	12,834,625	2 to 3 years
Total	43,304,307	/

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Prepayments (continued)

(2) Top five balances of prepayments categorised by receivers

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing balance	Proportion to total closing balance of prepayments (%)
Supplier 729393	34,396,944	5.18
Supplier 801158	32,945,557	4.96
Supplier 739152	30,123,319	4.53
Supplier 800511	25,296,593	3.81
Supplier 703874	23,750,049	3.58
Total	146,512,462	22.06

Other information:

None

Other information

☒ Applicable ☐ Not applicable

As at 30 June 2025, prepayments made to related parties of the Group are set out in Note XIV.6.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables

Details of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	—	—
Dividends receivable	—	—
Other receivables	<u>321,281,117</u>	<u>247,407,254</u>
Total	<u>321,281,117</u>	<u>247,407,254</u>

Other information:

☒Applicable ☐Not applicable

As at 30 June 2025, other receivables due from related parties of the Group are set out in Note XIV.6.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Interest receivable

(1) Classification of interest receivable

☐Applicable ☒Not applicable

(2) Significant overdue interest

☐Applicable ☒Not applicable

(3) Disclosure by bad debt accrual method

☐Applicable ☒Not applicable

Provision for bad debts made on an individual basis:

☐Applicable ☒Not applicable

Description of bad debt provisioning by individual item:

☐Applicable ☒Not applicable

Provision for bad debts by portfolio:

☐Applicable ☒Not applicable

Provision for bad debts by general model of expected credit losses

☐Applicable ☒Not applicable

(4) Provision for bad debts

☐Applicable ☒Not applicable

Significant amount of bad debt provision recovered or reversed during the period:

☐Applicable ☒Not applicable

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Interest receivable (continued)

(5) Actual interest receivable written off during the period

☐Applicable ☒Not applicable

Significant write-offs of interest receivable

☐Applicable ☒Not applicable

Description of interest receivable write-offs:

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Dividends receivable

(1) Dividends receivable

☐Applicable ☒Not applicable

(2) Significant dividends receivable with ageing over 1 year

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Dividends receivable (continued)

(3) Disclosure by bad debt accrual method

☐Applicable ☒Not applicable

Provision for bad debts made on an individual basis:

☐Applicable ☒Not applicable

Description of bad debt provisioning by individual item:

☐Applicable ☒Not applicable

Provision for bad debts by portfolio:

☐Applicable ☒Not applicable

Provision for bad debts by general model of expected credit losses

☐Applicable ☒Not applicable

(4) Provision for bad debts

☐Applicable ☒Not applicable

Significant amount of bad debt provision recovered or reversed during the period:

☐Applicable ☒Not applicable

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Dividends receivable (continued)

(5) Actual dividends receivable written off during the period

☐Applicable ☒Not applicable

Significant write-offs of dividends receivable

☐Applicable ☒Not applicable

Description of dividends receivable write-offs:

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Other receivables

(1) Other receivables disclosed by aging

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 6 months	171,317,038	88,026,151
6 months to 1 year	36,038,444	40,987,753
Subtotal within 1 year	207,355,482	129,013,904
1 to 2 years	73,210,447	66,420,164
2 to 3 years	9,569,003	21,224,291
Over 3 years	50,429,357	46,226,307
Less: Credit loss allowance for other receivables	19,283,172	15,477,412
Total	321,281,117	247,407,254

(2) Other receivables categorized by nature

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deposits and guarantees	124,723,311	151,212,400
Others	215,840,978	111,672,266
Total	340,564,289	262,884,666

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Other receivables (continued)

(3) Details of provision for credit loss allowance

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Credit loss allowance	Phase 1 12-month ECL	Phase 2 Lifetime ECL – Not credit impaired	Phase 3 Lifetime ECL – Credit impaired	Total
Balance at 1 January 2025	15,477,412	–	–	15,477,412
The balance is in the current period on January 1, 2025	15,477,412	–	–	15,477,412
– Transfer to Phase 2	–	–	–	–
– Transfer to Phase 3	–	–	–	–
– Transfer back to Phase 2	–	–	–	–
– Transfer back to Phase 1	–	–	–	–
Provision	8,680,624	–	–	8,680,624
Reversal	-4,876,144	–	–	-4,876,144
Transfer out	–	–	–	–
Written-off	–	–	–	–
Other changes	1,280	–	–	1,280
Balance at 30 June 2025	19,283,172	–	–	19,283,172

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Other receivables (continued)

(3) Details of provision for credit loss allowance (continued)

Basis of stage classification and percentage of provision for bad debts

As at 30 June 2025, the Group had no other receivables that were at the phase 2 and phase 3.

Disclose significant changes in the balance of other receivables of which the loss allowance has changed in the current period:

☐ Applicable ☒ Not applicable

Disclose the basis of the provision of credit loss and the assessment regarding whether there is a significant increase in the credit risk of financial instruments:

☐ Applicable ☒ Not applicable

(4) Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change amount in the current period			Other changes	Closing balance
		Provision	Recoveries or reversals	Transfers out or written-off		
Bad debt provision for other receivables	<u>15,477,412</u>	<u>8,680,624</u>	<u>-4,876,144</u>	<u>–</u>	<u>1,280</u>	<u>19,283,172</u>

Significant recoveries or reversals during the current period:

☐ Applicable ☒ Not applicable

Other information

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Other receivables (continued)

(5) Other receivables actually written off in the current period

☐ Applicable ☒ Not applicable

Significant write-offs of other receivable:

☐ Applicable ☒ Not applicable

Description of other receivable write-offs:

☐ Applicable ☒ Not applicable

(6) Top five other receivables categorised by debtors

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing gross carrying value	Proportion to total closing balance of other receivables (%)	Nature	Ageing	Closing balance of provision for credit loss
Customer 100560	67,378,016	19.78	Others	Within 1 year	5,046,843
Customer 129596	42,408,601	12.45	Others	1 to 2 years	5,661,507
Customer 15	39,247,948	11.52	Others	Within 1 year and 1 to 2 years	23,190
Customer 103233	23,133,170	6.79	Deposits and guarantees	2 to 3 years and over 5 years	2,901,319
Customer 126515	15,000,000	4.40	Deposits and guarantees	4 to 5 years	1,495,995
Total	187,167,735	54.96	/	/	15,128,854

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Other receivables (continued)

(7) Presented in other receivables due to centralized management of funds

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

9. Inventories

(1) Category of inventories

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance Provision for decline in value	Book Value	Gross carrying amount	Opening balance Provision for decline in value	Book Value
Raw materials	1,736,982,467	99,377,781	1,637,604,686	1,045,023,942	100,853,521	944,170,421
Work in progress	2,516,325,012	115,480,415	2,400,844,597	2,130,081,222	140,389,246	1,989,691,976
Finished goods	4,068,253,285	40,393,619	4,027,859,666	4,046,503,047	23,660,381	4,022,842,666
Turnover materials	143,477,804	9,551,781	133,926,023	113,139,336	6,264,371	106,874,965
Total	8,465,038,568	264,803,596	8,200,234,972	7,334,747,547	271,167,519	7,063,580,028

(2) Data resources recognized as inventory

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

9. Inventories (continued)

(3) Provision for decline in value of inventories and impairment of costs to fulfil a contract with a customer

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period		Closing balance
		Provision	Reversal or write-off	Others	
Raw materials	100,853,521	6,348,960	10,818,575	-2,993,875	99,377,781
Work in progress	140,389,246	16,184,276	42,807,954	-1,714,847	115,480,415
Finished goods	23,660,381	18,723,900	2,261,959	-271,297	40,393,619
Turnover materials	6,264,371	3,311,201	23,791	—	9,551,781
Total	271,167,519	44,568,337	55,912,279	-4,980,019	264,803,596

Reasons for reversal or write-off of provision for decline in value of inventories during the period

☐ Applicable ☒ Not applicable

Provision for decline in value of inventories by portfolio

☐ Applicable ☒ Not applicable

Provisioning criteria for provision for inventory valuation by portfolio

☐ Applicable ☒ Not applicable

(4) Description of ending balance of inventory including capitalisation of borrowing costs and the criteria and basis for their calculation

☐ Applicable ☒ Not applicable

(5) Description of amortisation amount of contract performance cost in the current period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

10. Non-current assets due within one year

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Certificate of deposits due within one year	1,552,835,735	2,628,347,569
Others	119,772,519	—
Total	1,672,608,254	2,628,347,569

Debt investments due within one year

☐Applicable ☒Not applicable

Other debt investments due within one year

☐Applicable ☒Not applicable

Other notes on non-current assets due within one year

None

11. Other current assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT retained for deduction	988,763,540	862,104,123
Other taxes prepaid	203,035,057	187,229,476
Certificate of deposits ("CDs")	1,423,742,945	1,022,607,338
Total	2,615,541,542	2,071,940,937

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

12. Long-term equity investments

(1) Status of long-term equity investments

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of investees	Balance at 1 January 2025	Changes for the period			Balance at 30 June 2025	Impairment provision at 30 June 2025
		Increasing investment	Investment income or loss recognised under equity method	Profits declared to be distributed		
I. Joint ventures						
ZhuzhouShiling Transportation EquipmentCo., Ltd. ("Shiling")	112,115,525	-	-2,365,366	-	109,750,159	-
ZhejiangTimesLANP New Energy Co., Ltd. ("Zhejiang LANP")	4,910,899	-	-2,222,640	-	2,688,259	-
ShanghaiShentong CRRC Rail Transit Operation Safety Engineering Technology Research Co., Ltd ("Shanghai shenzhong")	8,846,894	-	7,065,339	-200,000	15,712,233	-
ZhengzhouTimes Transportation Electrical Equipment Co., Ltd. ("Zhengzhou Times")	17,523,341	-	484,838	-	18,008,179	-
Guangzhou Qinglan Semiconductor Co., Ltd. ("Qinglan Semiconductor")	121,998,449	-	-5,231,444	-	116,767,005	-
Sub-total	265,395,108	-	-2,269,273	-200,000	262,925,835	-
II. Associates						
Siemens Traction Equipment Ltd., Zhuzhou ("Zhuzhou Siemens")	46,993,480	-	-107,158	-	46,886,322	-
Hunan Guoxin Semiconductor Technology Co., Ltd. ("CRRC Guoxin Technology")	51,657,931	-	-131,754	-	51,526,177	-
Hunan Times Wabtec Transit Transport & Equipment Co., Ltd. ("Times Wabtec")	18,491,464	-	-723,550	-	17,767,914	-
Zhixin Semiconductor Co., Ltd. ("Zhixin Semiconductor")	139,816,009	-	-2,690,778	-374,965	136,750,266	-
CRRC India Private Limited ("CRRC India")	12,046,795	-	24,451	-	12,071,246	-
Wuxi Times Smart Transportation Institute Co., Ltd. ("Wuxi Times")	26,737,111	-	-1,621,755	-	25,115,356	-
Foshan Zhongshi Zhihui Transportation Technology Co., Ltd. ("Foshan Zhongshi")	8,194,271	-	6,832	-40,000	8,161,103	-
Guangzhou High-speed Rail Technology Co., Ltd. ("Guangzhou High-speed")	3,112,251	-	178,011	-	3,290,262	-
Sub-total	307,049,312	-	-5,065,701	-414,965	301,568,646	-
Total	572,444,420	-	-7,334,974	-614,965	564,494,481	-

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

12. Long-term equity investments (continued)

(2) Impairment testing of long-term equity investments

☐ Applicable ☒ Not applicable

Other information

None

13. Other equity instrument investments

(1) Status of other equity instrument investments

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Movements during the period					Closing balance	Dividend income recognised for the period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reason for being designated at FVTOCI
		Increase in investments	Decrease in investments	Gains included in other comprehensive income for the period	Losses included in other comprehensive income for the period	Others					
Xicheng CRRC (Wuxi) Urban Transit Transport Engineering Co., Ltd.	223,823,520	-	-	-	-	-	223,823,520	-	-	-	Note 1
CRRC Environmental & Technology Co., Ltd.	30,000,000	-	-	-	-	-	30,000,000	-	-	-	Note 1
Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	8,000,000	-	-	-	-	-	8,000,000	-	-	-	Note 1
Jinhua CRRC Rail Vehicle Co., Ltd.	5,000,000	-	-	-	-	-	5,000,000	-	-	-	Note 1
Total	266,823,520	-	-	-	-	-	266,823,520	-	-	-	/

Note 1: The unlisted equity instrument investments of the Group are investments planned to be held for the long term for the strategic purpose of the Group, but are not intended to sell in the near term for short-term gain. Therefore, the above investments are designated as financial assets at FVTOCI by the Group.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

13. Other equity instrument investments (continued)

(2) Description of derecognition in the current period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

14. Fixed assets

Presented by item

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	10,244,137,849	8,594,961,720
Disposal of fixed assets	—	—
Total	10,244,137,849	8,594,961,720

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Fixed assets (continued)

Fixed assets

(1) Details of fixed assets

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Plants and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
I. Cost					
1. Opening balance	3,757,855,364	8,871,469,350	44,468,423	882,022,192	13,555,815,329
2. Increases	297,224,103	1,846,718,567	1,770,194	53,758,119	2,199,470,983
(1) Additions	2,103,200	277,978,910	1,754,043	32,048,857	313,885,010
(2) Transfer from construction in progress	290,037,941	1,538,887,886	–	20,736,892	1,849,662,719
(3) Translation differences arising from translation of foreign currency financial statements	5,082,962	29,851,771	16,151	972,370	35,923,254
3. Decreases	–	3,750,534	460,475	310,590	4,521,599
(1) Disposal or retirement	–	3,750,534	460,475	310,590	4,521,599
(2) Transferred to construction in progress	–	–	–	–	–
4. Closing balance	<u>4,055,079,467</u>	<u>10,714,437,383</u>	<u>45,778,142</u>	<u>935,469,721</u>	<u>15,750,764,713</u>
II. Accumulated depreciation					
1. Opening balance	801,511,861	3,481,944,211	35,946,958	584,727,368	4,904,130,398
2. Increases	56,525,536	445,822,218	1,151,847	46,004,630	549,504,231
(1) Provision	55,196,219	421,934,147	1,135,696	45,594,737	523,860,799
(2) Translation differences arising from translation of foreign currency financial statements	1,329,317	23,888,071	16,151	409,893	25,643,432
3. Decreases	–	3,426,523	437,475	278,607	4,142,605
(1) Disposal or retirement	–	3,426,523	437,475	278,607	4,142,605
4. Closing balance	<u>858,037,397</u>	<u>3,924,339,906</u>	<u>36,661,330</u>	<u>630,453,391</u>	<u>5,449,492,024</u>

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Fixed assets (continued)

Fixed assets (continued)

(1) Details of fixed assets (continued)

Item	Plants and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
III. Provision for impairment					
1. Opening balance	10,513,264	45,700,687	–	509,260	56,723,211
2. Increases	–	513,701	–	–	513,701
(1) Provision	–	–	–	–	–
(2) Translation differences arising from translation of foreign currency financial statements	–	513,701	–	–	513,701
3. Decreases	–	102,072	–	–	102,072
(1) Disposal or scrapping	–	102,072	–	–	102,072
4. Closing balance	10,513,264	46,112,316	–	509,260	57,134,840
IV. Fixed assets liquidation					–
1. Opening balance	–	–	–	–	–
2. Increased amount in the current period	–	–	–	–	–
3. Closing balance	–	–	–	–	–
IV. Carrying amount					
1. Carrying amount at the end of the period	<u>3,186,528,806</u>	<u>6,743,985,161</u>	<u>9,116,812</u>	<u>304,507,070</u>	<u>10,244,137,849</u>
2. Carrying amount at the beginning of the period	<u>2,945,830,239</u>	<u>5,343,824,452</u>	<u>8,521,465</u>	<u>296,785,564</u>	<u>8,594,961,720</u>

(2) Fixed assets temporary idle

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Fixed assets (continued)

Fixed assets (continued)

(3) Fixed assets leased out under operating leases

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Plants and buildings	559,405,673	565,962,671
Total	559,405,673	565,962,671

(4) Details of fixed assets of which property right certificates had not been obtained yet

☐ Applicable ☒ Not applicable

(5) Impairment testing of fixed assets

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Disposal of fixed assets

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

15. Construction in progress

Presented by item

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	1,229,176,438	2,312,618,688
Construction materials	—	—
Total	1,229,176,438	2,312,618,688

Other information:

None

Construction in progress

(1) Details of construction in progress

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance Provision for impairment	Book value	Gross carrying amount	Opening balance Provision for impairment	Book value
Industrialization of Medium and Low Voltage Power Devices (Yixing) Construction Project (Including construction project with production capacity)	447,382,144	—	447,382,144	1,338,829,325	—	1,338,829,325
Industrialization of Medium and Low Voltage Power Devices (Zhuzhou) Construction Project	309,033,073	—	309,033,073	109,278,384	—	109,278,384
New Energy Vehicle Electric Drive System and Components Manufacturing Base (Zhuzhou) Construction Project	196,321,655	—	196,321,655	349,402,128	—	349,402,128
Innovation experiment platform construction project	13,809,233	—	13,809,233	280,662,114	—	280,662,114
Others	262,630,333	—	262,630,333	234,446,737	—	234,446,737
Total	1,229,176,438	—	1,229,176,438	2,312,618,688	—	2,312,618,688

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

15. Construction in progress (continued)

Construction in progress (continued)

(2) Movements of significant construction in progress for the period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of item	Budget	Opening balance	Increase	Transferred to fixed assets	Transferred to intangible assets	Other decrease	Closing balance	Proportion of amount injected to the budget (%)	Source of funding
Industrialization of Medium and Low Voltage Power Devices (Yixing) Construction Project (Including construction project with production capacity)	6,771,830,000	1,338,829,325	409,925,771	1,301,372,952	-	-	447,382,144	67	Raised funds and self-raised
Industrialization of Medium and Low Voltage Power Devices (Zhuzhou) Construction Project	5,292,860,000	109,278,384	221,135,815	21,381,126	-	-	309,033,073	18	Self-raised
New Energy Vehicle Electric Drive System and Components Manufacturing Base (Zhuzhou) Construction Project	1,107,990,000	349,402,128	185,135,891	238,618,822	99,597,542	-	196,321,655	75	Self-raised
Innovation experiment platform construction project	991,600,000	280,662,114	4,656,618	271,509,499	-	-	13,809,233	93	Raised funds and self-raised
Total	<u>14,164,280,000</u>	<u>2,078,171,951</u>	<u>820,854,095</u>	<u>1,832,882,399</u>	<u>99,597,542</u>	<u>-</u>	<u>966,546,105</u>	<u>/</u>	<u>/</u>

(3) Provision for impairment of construction in progress in the current period

☐ Applicable ☒ Not applicable

(4) Impairment testing of construction in progress

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

Construction materials

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

16. Right-of-use assets

(1) Details of right-of-use assets

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights (Note 1)	Plants and buildings	Machinery and equipment	Motor vehicles	Office facilities and others	Total
I. Cost						
1. Opening balance	23,535,849	284,030,184	129,225,245	10,295,687	826,945	447,913,910
2. Increases	–	71,439,735	6,392,651	2,292,685	–	80,125,071
(1) Newly added lease	–	67,953,443	4,848,381	2,078,455	–	74,880,279
(2) Translation differences of financial statements denominated in foreign currencies	–	3,486,292	1,544,270	214,230	–	5,244,792
3. Decreases	–	35,594,847	8,810,499	1,493,104	–	45,898,450
(1) Expiration or termination of the lease contract	–	35,564,109	8,810,499	1,493,104	–	45,867,712
(2) Translation differences arising from translation of foreign currency	–	30,738	–	–	–	30,738
4. Closing balance	23,535,849	319,875,072	126,807,397	11,095,268	826,945	482,140,531
II. Accumulated depreciation						
1. Opening balance	8,483,814	127,560,465	27,968,062	3,620,766	534,086	168,167,194
2. Increases	–	62,985,414	12,585,814	1,535,679	122,676	77,229,583
(1) Provision for the year	–	61,635,582	11,838,402	1,434,616	122,676	75,031,276
(2) Translation differences of financial statements denominated in foreign currencies	–	1,349,832	747,412	101,063	–	2,198,307
3. Decreases	–	34,579,560	8,810,499	1,413,649	–	44,803,708
(1) Expiration or termination of the lease contract	–	34,569,314	8,810,499	1,413,649	–	44,793,462
(2) Translation differences arising from translation of foreign currency	–	10,246	–	–	–	10,246
4. Closing balance	8,483,814	155,966,319	31,743,377	3,742,796	656,762	200,593,068
III. Provision for impairment						
1. Opening balance	–	–	–	–	–	–
2. Increases	–	–	–	–	–	–
3. Decreases	–	–	–	–	–	–
4. Closing balance	–	–	–	–	–	–
IV. Carrying amount						
1. Carrying amount at 30 June 2025	15,052,035	163,908,753	95,064,020	7,352,472	170,183	281,547,463
2. Carrying amount at 1 January 2025	15,052,035	156,469,719	101,257,183	6,674,920	292,859	279,746,716

Note 1: The land use right is the industrial land use right leased by Specialist Machine Developments Limited ("SMD") (one of the Group's subsidiary) from non-related parties in 2019. The original lease period is from 10 June 2019 to 9 June 2029 which was rescheduled to 9 June 2034 at 24 August 2021, and the total undiscounted rent is equivalent to RMB17,926,456.69.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

16. Right-of-use assets (continued)

(2) Impairment testing of right-of-use assets

☐ Applicable ☒ Not applicable

Other information:

Refer to Note VII.63 for details of the Group's arrangements relating to leasing activities.

17. Intangible assets

(1) Details of intangible assets

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Software licences	Patents, licenses and technical know-how	Trademarks	Backlog orders and service contracts	Total
I. Cost						
1. Opening balance	551,936,040	353,491,404	1,603,041,371	127,895,852	57,000,000	2,693,364,667
2. Increases	100,850,445	47,475,880	24,601,113	10,617,476	–	183,544,914
(1) Additions	18,048	7,589,644	–	–	–	7,607,692
(2) Transfer from development expenditure	–	33,145,405	–	–	–	33,145,405
(3) Transfer from construction in progress	99,597,542	175,000	–	–	–	99,772,542
(4) Translation differences arising from translation of foreign currency financial statements	1,234,855	6,565,831	24,601,113	10,617,476	–	43,019,275
3. Decreases	596	585,779	–	–	–	586,375
(1) Disposals or written-offs during the period	–	585,779	–	–	–	585,779
(2) Translation differences arising from translation of foreign currency	596	–	–	–	–	596
4. Closing balance	652,785,889	400,381,505	1,627,642,484	138,513,328	57,000,000	2,876,323,206
II. Accumulated amortisation						
1. Opening balance	76,091,993	231,627,926	857,437,239	122,683,662	8,142,857	1,295,983,677
2. Increases	9,385,962	21,333,147	87,882,416	15,829,666	24,428,571	158,859,762
(1) Provision for the year	9,385,962	17,119,769	68,576,014	8,696,863	24,428,571	128,207,179
(2) Translation differences arising from translation of foreign currency	–	4,213,378	19,306,402	7,132,803	–	30,652,583
3. Decreases	–	525,551	–	–	–	525,551
(1) Disposals or written-offs during the period	–	525,551	–	–	–	525,551
4. Closing balance	85,477,955	252,435,522	945,319,655	138,513,328	32,571,428	1,454,317,888
III. Provision for impairment						
1. Opening balance	–	506,859	6,013,134	–	–	6,519,993
2. Increases	–	–	–	–	–	–
3. Decreases	–	–	–	–	–	–
4. Closing balance	–	506,859	6,013,134	–	–	6,519,993
IV. Carrying amount						
1. Balance at the end of the period	567,307,934	147,439,124	676,309,695	–	24,428,572	1,415,485,325
2. Balance at the beginning of the period	475,844,047	121,356,619	739,590,998	5,212,190	48,857,143	1,390,860,997

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

17. Intangible assets (continued)

(1) Details of intangible assets (continued)

The proportion of the Group's intangible assets formed through internal research and development to the original carrying amount of intangible assets is presented as follows: 32.84% at June 30, 2025 and 33.84% at December 31, 2024

(2) Data resources recognized as intangible asset

☐ Applicable ☒ Not applicable

(3) Details of land use rights of which property right certificates had not been obtained

☐ Applicable ☒ Not applicable

(4) Impairment testing of Intangible assets

☐ Applicable ☒ Not applicable

Other information:

☒ Applicable ☐ Not applicable

As at 30 June 2025, the Group had no land use rights pledged for obtaining bank loans. The land used by the Group is mainly located in Chinese Mainland, with a holding period of 40-50 years.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Goodwill

(1) Cost of goodwill

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of investee or events forming goodwill	Opening balance	Increase during the period Translation differences of financial statements denominated in foreign currencies	Closing balance
Dynex Power Inc. ("Canada Dynex")	46,517,958	—	46,517,958
Ningbo CRRC Times	437,432	—	437,432
CRRC Times Electronics	13,333,101	—	13,333,101
SMD	532,160,641	44,178,157	576,338,798
Electric drive operations	31,133,876	—	31,133,876
Total	623,583,008	44,178,157	667,761,165

(2) Provision for impairment of goodwill

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of investee or events forming goodwill	Opening balance	Increases Translation differences of financial statements denominated in foreign currencies	Closing balance
Dynex Power Inc. ("Canada Dynex")	46,517,958	—	46,517,958
Ningbo CRRC Times	—	—	—
CRRC Times Electronics	—	—	—
SMD	346,093,762	28,731,521	374,825,283
Electric drive operations	—	—	—
Total	392,611,720	28,731,521	421,343,241

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Goodwill (continued)

(3) Relevant information of assets group or group of assets groups to which goodwill is allocated

☒Applicable ☐Not applicable

Item	Composition and basis of the asset group or portfolio to which it belongs	Operating segments and basis	Consistency with prior years
Dynex Power Inc. ("Canada Dynex")	Canada Dynex (Note 1)	/	Yes
Ningbo CRRC Times	Ningbo CRRC Times(Note 1)	/	Yes
CRRC Times Electronics	CRRC Times Electronics(Note 1)	/	Yes
SMD	SMD(Note 1)	/	Yes
Electric drive operations	Electric drive operations(Note 1)	/	Yes

Note 1: Considering the management method of the operation activities of the asset group, and whether the cash flow generated by the asset group through operation is independent of other assets of the Company, the Group determines that Canada Dynex, Ningbo CRRC Times, CRRC Times Electronics, SMD and Electric drive operations is an asset group including goodwill respectively.

Change in assets group or sets of assets groups

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

(4) The specific method used to determine the recoverable amount

The recoverable amount was determined by reference to the fair value less cost of disposal

☐Applicable ☒Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Goodwill (continued)

(4) The specific method used to determine the recoverable amount (continued)

Reasons for the difference between the above information and the information or external information used for the impairment tests in the previous years

☐ Applicable ☒ Not applicable

Reasons for the difference between the Company's information used for the impairment test in previous years and the actual circumstance during the year

☐ Applicable ☒ Not applicable

(5) Performance guarantee and impairment of corresponding goodwill

There is performance guarantee when goodwill is formed and the reporting period or the previous period before the reporting period is within the performance guarantee period

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

19. Long-term prepaid expenses

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the year	Amortised for the year	Other decrease	Closing balance
Leasehold improvement	17,940,557	7,455,091	3,991,626	-	21,404,022
Total	17,940,557	7,455,091	3,991,626	-	21,404,022

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

20. Deferred tax assets/liabilities

(1) Deferred tax assets that are not offset

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for product quality warranties	1,505,268,801	234,487,149	1,210,582,435	190,332,565
Provision for credit loss	1,044,052,169	156,708,486	824,185,766	124,355,306
Provision for impairment of assets	378,423,068	58,410,828	379,198,357	59,072,340
Deferred income	424,998,089	64,745,903	422,702,470	64,415,445
Unrealised profit from internal transactions	1,921,130,739	288,063,246	1,302,195,686	212,104,030
Differences of depreciation/amortisation years due to tax laws and accounting treatment differences	2,843,514	426,527	22,505,826	3,375,874
Deductible losses	2,639,708,696	403,096,910	2,930,064,762	450,883,373
Accrued expenses	28,921,909	5,020,706	131,691,346	23,922,382
Accrued employee benefits that have not been paid yet	233,137,334	36,395,966	106,762,739	16,171,761
Changes in fair value of financial assets at fair value through other comprehensive income	40,101,969	6,864,195	54,444,135	8,683,675
Items of costs and expenses without invoices obtained	227,198,678	38,466,461	162,184,479	24,327,672
Lease liabilities	280,709,073	50,530,312	273,555,101	48,174,818
Others	64,682,340	9,694,295	49,042,747	7,604,715
Total	8,791,176,379	1,352,910,984	7,869,115,849	1,233,423,956

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

20. Deferred tax assets/liabilities (continued)

(2) Deferred tax liabilities that are not offset

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Revaluation due to business combinations involving entities not under common control	34,021,278	8,086,760	41,754,458	10,438,615
Depreciation difference due to inconsistency of depreciation period between tax law and accounting	1,459,477,462	225,085,578	1,739,417,527	264,470,859
Gains on changes in fair value during the holding period of the financial assets at fair value through profit or loss	2,972,219	445,833	13,861,455	2,079,218
Right-of-use assets	281,547,462	49,358,097	279,746,715	49,070,529
Total	1,778,018,421	282,976,268	2,074,780,155	326,059,221

(3) Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Amount of offsetting of deferred tax assets and liabilities at the end of the period	Balances of deferred tax assets or liabilities after offsetting at the end of the period	Amount of offsetting of deferred tax assets and liabilities at the beginning of the period	Balances of deferred tax assets or liabilities after offsetting at the beginning of the period
Deferred tax assets	264,996,748	1,087,914,236	301,044,930	932,379,026
Deferred tax liabilities	264,996,748	17,979,520	301,044,930	25,014,291

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

20. Deferred tax assets/liabilities (continued)

(4) Details of unrecognised deferred tax assets

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	594,148,707	215,239,935
Deductible losses	1,062,465,111	1,463,485,887
Total	1,656,613,818	1,678,725,822

(5) Deductible tax losses, for which no deferred tax assets were recognised, will expire in the following years

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance	Note
At the end of 2028	10,264,592	10,264,592	
At the end of 2029	105,038,365	160,032,479	
At the end of 2030	52,240,427	—	
At the end of 2031	14,505,759	18,790,201	
At the end of 2032	489,826,545	851,880,610	
At the end of 2033	82,522,726	88,470,561	
At the end of 2034	118,960,533	136,185,622	
At the end of 2035	41,664,869	—	
Without fixed term (Note)	147,441,295	197,861,822	
Total	1,062,465,111	1,463,485,887	/

Other information:

✓Applicable ☐Not applicable

Note: There is no fixed term for carry-forward of deductible losses generated by Canada Dynex, a subsidiary of the Group.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

21. Other non-current assets

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Book value	Gross carrying amount	Provision for impairment	Book value
Large-denomination of certificates of deposit	6,335,418,851	–	6,335,418,851	1,968,103,723	–	1,968,103,723
Fixed deposits	2,730,024,247	–	2,730,024,247	–	–	–
Prepayments for purchase of machinery and equipment	893,373,774	–	893,373,774	518,517,411	–	518,517,411
Prepayments for construction of projects	1,975,224	–	1,975,224	1,981,629	–	1,981,629
Contract assets	851,709,359	49,759,296	801,950,063	965,628,237	60,248,484	905,379,753
Deposits from suppliers	–	–	–	122,760,089	2,987,570	119,772,519
Total	10,812,501,455	49,759,296	10,762,742,159	3,576,991,089	63,236,054	3,513,755,035

Other information:

As at 30 June 2025, other non-current assets from related parties of the Group are set out in Note XIV.6.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Assets with restrictive ownership title or right of use

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Carrying amount at the end of the period				Carrying amount at the beginning of the period			
	Book balance	Book value	Type of restriction	Restricted situation	Book balance	Book value	Type of restriction	Restricted situation
Cash and bank balances	471,586,066	471,586,066	Others	Deposits for bill Acceptance and deposits for letter of guarantee	483,625,190	483,625,190	Others	Deposits for bill Acceptance and deposits for letter of guarantee
Cash and bank balances	27,966,736	27,966,736	Others	Equity repurchase securities account funds	1,389,626,376	1,389,626,376	Others	Equity repurchase securities account funds
Cash and bank balances	131,356,641	131,356,641	Others	Project supervision funds	108,128,489	108,128,489	Others	Project supervision funds
Bills receivable	824,129,555	823,344,536	Others	Endorsed or discounted but not yet due at the balance sheet date	362,050,186	361,570,579	Others	Endorsed or discounted but not yet due at the balance sheet date
Total	<u>1,455,038,998</u>	<u>1,454,253,979</u>	/	/	<u>2,343,430,241</u>	<u>2,342,950,634</u>	/	/

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

23. Short-term borrowings

(1) Category of short-term borrowings

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit borrowings	<u>61,216,261</u>	<u>39,010,667</u>
Total	<u>61,216,261</u>	<u>39,010,667</u>

Description of classification of short-term borrowings:

As at 30 June 2025, the annual interest rate for short-term loans is 6.40% (31 December 2024: 2.22% to 7.45%).

As at 30 June 2025, the balance of short-term loans does not include any borrowings from related parties of the group.

(2) Past due and outstanding short-term loans

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

24. Bills payable

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Commercial acceptances	46,933,536	190,088,775
Bank acceptances	6,615,439,297	5,626,742,216
Total	6,662,372,833	5,816,830,991

There are no bills payable due and unpaid at the end of the period.

As at 30 June 2025, bills payable due to related parties of the Group are set out in Note XIV.6.

25. Accounts payable

(1) Accounts payable are set out as follows

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Related parties	1,764,907,769	1,037,855,674
Third parties	7,190,511,019	7,251,767,158
Total	8,955,418,788	8,289,622,832

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

25. Accounts payable (continued)

(2) Accounts payable are disclosed by ageing as follows

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 6 months	7,049,324,881	7,039,394,658
6 months to 1 year	1,115,602,069	494,177,850
1 to 2 years	476,339,223	429,802,352
2 to 3 years	122,431,354	162,428,730
Over 3 years	191,721,261	163,819,242
Total	8,955,418,788	8,289,622,832

The ageing of accounts payable of the Group is classified based on the the relevant document date.

(3) Significant accounts payable aged over one year

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for not being repaid or carried forward
Supplier 709832	70,193,786	Unsettled material payment
Supplier 728500	64,748,812	Unsettled material payment
Supplier 734391	25,904,766	Unsettled material payment
Supplier 800077	20,608,103	Unsettled material payment
Total	181,455,467	/

Other information:

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

26. Contract liabilities

(1) Details of contract liabilities

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Related to sales contract	1,547,717,615	1,123,109,518
Related to construction service contract	109,720,889	210,430,934
Total	1,657,438,504	1,333,540,452

For part of the Group's sales contracts, the time point at which goods are transferred and accepted is later than the time point at which customers make payments, which results in contractual liabilities related to the sales contracts. Related revenue will be recognised upon the completion of the transfer of the Group's relevant goods/performance obligations.

The Group's contract liabilities related to the construction service contracts represented the excess of the settled amount over revenue recognised based on the progress of construction.

As at 30 June 2025, contract liabilities from related parties of the Group are set out in Note XIV.6.

(2) Significant contractual liabilities aged over 1 year

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-reimbursement or carry-over
Customer 123121	48,366,938	Conditions for revenue recognition not being satisfied
Customer 129041	27,051,092	Conditions for revenue recognition not being satisfied
Customer 100748	20,642,994	Conditions for revenue recognition not being satisfied
Customer 150801	15,799,115	Conditions for revenue recognition not being satisfied
Customer 126507	13,850,416	Conditions for revenue recognition not being satisfied
Total	125,710,555	/

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

26. Contract liabilities (continued)

(3) Account and reason for significant changes in the contract liabilities in the current period

☐ Applicable ☒ Not applicable

(4) The changes in the balance of contract liabilities of the Group are as follows

Unit: Yuan Currency: RMB

Item	2025
Opening balance	1,333,540,452
Amount of revenue recognised during the year for contract liabilities at the beginning of the year	961,226,910
Amount arising from contract liabilities at the end of the year as a result of cash received during the year	1,285,124,962
Closing balance	1,657,438,504

Other information:

☐ Applicable ☒ Not applicable

27. Employee benefits payable

(1) Details of employee benefits payable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance
I. Short-term employee benefits	206,082,194	1,410,022,522	1,158,783,510	1,156,295	458,477,501
II. Post-employment benefits – Defined contribution plan	20,204,652	183,840,811	200,848,895	62,609	3,259,177
III. Termination benefits	–	1,698,864	1,698,864	–	–
IV. Labour expenditures	–	14,159,151	14,159,151	–	–
Total	226,286,846	1,609,721,348	1,375,490,420	1,218,904	461,736,678

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

27. Employee benefits payable (continued)

(2) Details of short-term benefits

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance
I. Salaries, bonuses, allowances and subsidies	2,123,186	1,125,538,854	891,418,751	317,252	236,560,541
II. Welfare benefits	–	34,788,829	34,788,829	–	–
III. Social insurances	7,975,776	116,336,881	119,398,337	839,043	5,753,363
Including: Basic medical insurance	4,636,690	81,836,694	83,334,873	839,043	3,977,554
Supplementary medical insurance	2,475,734	24,458,081	25,784,408	–	1,149,407
Work injury insurance	779,439	9,824,088	10,061,626	–	541,901
Maternity insurance	83,913	218,018	217,430	–	84,501
IV. Housing funds	2,853,035	93,342,819	94,971,659	–	1,224,195
V. Employee union funds and staff education funds	192,076,748	40,015,139	17,152,485	–	214,939,402
VI. Others	1,053,449	–	1,053,449	–	–
Total	206,082,194	1,410,022,522	1,158,783,510	1,156,295	458,477,501

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

27. Employee benefits payable (continued)

(3) Details of defined contribution plan

✓Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance
1. Basic pension insurance	19,586,536	139,355,207	156,606,287	62,609	2,398,065
2. Unemployment insurance	586,081	5,377,060	5,515,786	–	447,355
3. Enterprise annuity	32,035	39,108,544	38,726,822	–	413,757
Total	20,204,652	183,840,811	200,848,895	62,609	3,259,177

Other information:

✓Applicable ☐ Not applicable

Employees of the Group are required to participate in defined contribution schemes which are administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentage as agreed by the local municipal government to the scheme. The Group's contributions to the defined contribution plan, including the social pension insurance schemes and the annuity plan, are recognised as expenses when incurred. As of 30 June 2025, there are no forfeited contributions that may be used by the Company and its subsidiaries to reduce the existing level of contribution.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

28. Taxes payable

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Enterprise income tax	273,474,138	77,548,652
VAT	82,987,091	88,421,580
City maintenance and construction tax and education surcharges	8,398,505	10,322,941
Individual income tax	2,121,973	48,596,450
Others	14,669,238	19,685,744
Total	381,650,945	244,575,367

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

29. Other payables

(1) Presented by item

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	—	—
Dividends payable	1,358,003,412	—
Other payables	3,115,159,720	1,869,975,564
Total	4,473,163,132	1,869,975,564

(2) Interest payable

☐Applicable ☒Not applicable

(3) Dividends payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends payable – related parties	610,419,485	—
Dividends payable – third parties	747,583,927	—
Total	1,358,003,412	—

Other information, including significant dividends payable unpaid for more than one year, should disclose the reason for non-payment:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

29. Other payables (continued)

(4) Other payables

Other payables are presented by nature

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Amounts due to related parties	1,596,826,807	472,651,034
Deposits and guarantees	342,006,347	312,953,352
Projects and equipment	562,056,546	613,579,772
Withholding social security contributions	4,153,593	9,368,479
Others	610,116,427	461,422,927
Total	3,115,159,720	1,869,975,564

Significant other payables aged over one year

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing balance	Reasons for not being repaid or carried forward
Supplier 99024	379,905,100	Not due
Supplier 702615	48,168,000	Not due
Supplier 733856	12,665,762	Not due
Supplier 717149	11,600,000	Not due
Total	452,338,862	/

Other information:

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

30. Non-current liabilities due within 1 year

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within 1 year	7,951,990	9,080,679
Lease liabilities due within 1 year	108,066,422	90,707,092
Provisions due within 1 year	640,979,842	643,405,362
Total	756,998,254	743,193,133

Other information:

None

31. Other current liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT for sales of goods collected in advance	201,148,516	166,486,362
Total	201,148,516	166,486,362

The movements of short-term debentures payable:

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

32. Long-term borrowings

(1) Classification of long-term borrowings

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit borrowings	61,139,990	71,084,779
Less: Long-term borrowings due within 1 year	7,951,990	9,080,679
Total	53,188,000	62,004,100

Description of classification of long-term borrowings:

As at 30 June 2025, the balance of long-term loans borrowed from the Group's related parties is set out in Note XIV.6.

Other information

✓Applicable ☐Not applicable

(1) Interest rate of the above borrowings is as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed interest rate per annum	1.08%-2.50%	1.08%-2.50%

(2) Maturity analysis:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Due within 1 year	7,951,990	9,080,679
Due within 1 to 2 years	10,000,000	13,316,100
Due within 2 to 5 years	36,000,000	35,500,000
Due over 5 years	7,188,000	13,188,000
Total	61,139,990	71,084,779

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

33. Lease liabilities

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term lease liabilities	285,555,199	278,676,975
Less: Lease liabilities classified as non-current liabilities due within 1 year (Note VII.30)	108,066,422	90,707,092
Total	177,488,777	187,969,883

Other information:

Maturity analysis:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Due within 1 to 2 years	74,972,808	66,492,516
Due within 2 to 5 years	93,085,636	103,800,583
Due over 5 years	31,160,820	32,118,630
Total	199,219,264	202,411,729
Less: Unrecognised financing expenses	21,730,487	14,441,846
Lease liabilities	177,488,777	187,969,883

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

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34. Long-term payables

Details of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	-	72,823
Special payables	-	-
Total	-	72,823

Other information:

None

Long-term payables

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance
Product quality warranties	-	72,823
Total	-	72,823

Other information:

None

Special payables

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

35. Provisions

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Cause
Provision for product quality warranties	1,526,285,002	1,254,517,245	After sales service agreed in the agreement
Less: Provisions due within 1 year (Note VII.30)	640,979,842	643,405,362	
Total	885,305,160	611,111,883	/

Other information, including key assumptions and estimations related to significant provisions:

Provision for product quality assurance, which mainly represents the expected product warranty costs to be borne for the products sold, is provided for on the basis of estimates deemed reasonable by the management with reference to the actual amount of warranty costs incurred in previous years and the actual sales in the current period.

36. Deferred income

Details of deferred income

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Closing balance
Deferred income	420,037,069	77,618,564	75,450,309	422,205,324
Total	420,037,069	77,618,564	75,450,309	422,205,324

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

37. Share capital

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Share issued	Bonus shares	Changes during the period (+/-) Transfer from reserves	Others	Sub-total	Closing balance
Total numbers of shares	1,406,652,812	-	-	-	-48,704,400	-48,704,400	1,357,948,412
I. Restricted shares:							
Shares held by state-owned legal person	589,585,699	-	-	-	-	-	589,585,699
Shares held by other domestic investors	-	-	-	-	-	-	-
Shares held by foreign investor							
II. Unrestricted shares:							
H Shares listed abroad	537,745,300	-	-	-	-48,704,400	-48,704,400	489,040,900
A Shares listed domestically	279,321,813	-	-	-	-	-	279,321,813
Total	1,406,652,812	-	-	-	-48,704,400	-48,704,400	1,357,948,412

Other information:

In 2024 and 2025, the Company carried out a series of repurchases of H Shares on the Hong Kong Stock Exchange. As of December 31, 2024, the Company had repurchased 13,916,900 H Shares in total, and 9,584,100 H Shares repurchased by the Company had been cancelled. During the 6-month period ending June 30, 2025, the Company has repurchased 44,371,600 H Shares and cancelled 48,704,400 H Shares.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

38. Capital reserve

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Closing balance
Share premium	12,820,074,193	6,940,575	1,341,941,219	11,485,073,549
Other capital reserves	-89,108,873	-	-	-89,108,873
Total	12,730,965,320	6,940,575	1,341,941,219	11,395,964,676

Other information, including descriptions about movements during the period and reasons:

Note 1: The increase of capital reserve in the current period is mainly due to the impact of capital increase of minority shareholders of Hunan CRRC Electric Drive.

Note 2: The decrease of capital reserve in the current period is mainly due to the impact of the Company's cancellation of H Shares.

39. Treasury shares

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Closing balance
Shares repurchased	124,242,646	1,266,402,973	1,390,645,619	-
Total	124,242,646	1,266,402,973	1,390,645,619	-

Other information, including description about movements during the period and reasons:

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

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39. Treasury shares (continued)

During the reporting period, the Company repurchased a total of 44,371,600 H Shares in the Share capital with a nominal value of RMB1 each on the Hong Kong Stock Exchange, at a total consideration of approximately HK\$1,369,771,356.02 (excluding transaction expenses). Details are as follows:

Month of repurchase	Number of H Shares repurchased	Highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Total consideration (excluding transaction expenses) (HK\$)
January 2025	12,351,200	32.6	29.05	371,044,003.86
February 2025	20,629,100	32.2	28.8	628,782,940.65
April 2025	1,295,000	32.0	30.5	40,254,427.50
May 2025	9,485,500	33.2	31.25	309,541,394.54
June 2025	610,800	33.2	32.35	20,148,589.47

37,313,100 H Shares repurchased by the Company from 17 December 2024 to 20 February 2025 were cancelled on 26 February 2025; and 11,391,300 H Shares repurchased from 30 April 2025 to 5 June 2025 were cancelled on 19 June 2025.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

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40. Other comprehensive income

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount incurred for current period before tax	Less: Transferred from other comprehensive income to retained earnings	Movement for the period			Closing balance
				Less: Income tax expenses	Attributable to owners of the Parent Company after tax	Attributable to non-controlling shareholders after tax	
Other comprehensive income that will be reclassified to profit or loss	-240,610,284	49,352,020	-	1,819,480	49,969,387	-2,436,847	-190,640,897
Changes in fair value of other debt investments	-49,101,423	12,981,856	-	1,819,480	13,599,223	-2,436,847	-35,502,200
Translation differences of financial statements denominated in foreign currencies	-191,508,861	36,370,164	-	-	36,370,164	-	-155,138,697
Total other comprehensive income	-240,610,284	49,352,020	-	1,819,480	49,969,387	-2,436,847	-190,640,897

Other information, including adjustment to the amount removed from the effective portion of the gain or loss on cash flow hedge reserve to the initial cost of the hedged item:

Changes in the fair value of other debt investments arise from receivables financing.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

41. Special reserve

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Production safety fees	120,842,834	27,542,405	6,687,286	141,697,953
Total	120,842,834	27,542,405	6,687,286	141,697,953

Other descriptions, including descriptions about movements during the period and causes:

None

42. Surplus reserve

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	3,530,286,607	—	—	3,530,286,607
Total	3,530,286,607	—	—	3,530,286,607

Descriptions of surplus reserves, including descriptions about movements during the period and causes:

In accordance with the Company Law and the Company's Articles of Incorporation, the Company is required to withdraw 10% of its net income as legal reserve. After the legal reserve is withdrawn, the Company may withdraw an arbitrary surplus reserve. Upon approval, the discretionary surplus reserve may be used to offset prior years' losses or to increase capital.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

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43. Retained earnings

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Retained earnings at the end of the period (before adjustment)	24,103,864,879	21,954,221,096
Total adjustments for opening retained earnings ("+" for increase; "-" for decrease)	-	-75,313,484
Retained earnings at the beginning of the period (after adjustment)	24,103,864,879	21,878,907,612
Add: Net profit attributable to shareholders of the Parent Company	1,671,501,854	3,702,585,914
Less: Appropriation to statutory surplus reserve	-	376,627,360
Common stock dividends payable	1,357,948,412	1,101,001,287
Retained earnings at the end of the period	24,417,418,321	24,103,864,879

Note 1: Cash dividends approved at the annual general meeting of shareholders for the current year

The 2024 profit distribution proposal of the Company has been reviewed and approved in the 2024 annual general meeting of shareholders for 2024 held on 28 June 2025, pursuant to which a final dividend of RMB1.00 Yuan (including tax) for the year of 2024 was paid on each of the 1,357,948,412 shares in issue, amounting to a total cash dividend of RMB1,357,948,412

Note 2: Distribution of profits resolved after the balance sheet date

The Company intends to distribute cash dividends to all shareholders based on the total share capital registered on the registration date of equity distribution (the specific date will be specified in the announcement on the implementation of equity distribution) The company plans to distribute a cash dividend of RMB4.40 (including tax) to all shareholders for every 10 shares. As of June 30, 2025, the total share capital of the company is 1,357,948,412 shares. Based on this, the total amount of cash dividends planned to be distributed is RMB597,497,301.28, accounting for 35.75% of the net profit attributable to the listed company in the consolidated financial statements for the half year of 2025. If the Company's total share capital changes from the date of the profit distribution announcement to the equity distribution record date, the Company intends to maintain the distribution ratio per share unchanged, adjust the total distribution amount accordingly, and will separately announce the specific adjustments. The above profit distribution plan has been reviewed and approved by the 20th meeting of the 7th Board of the Company, and this matter has been authorized by the 2024 Annual Shareholders' Meeting held on June 27, 2025, and does not need to be submitted to the Company's Shareholders' Meeting for review.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

44. Revenue and cost of sales

(1) Details of revenue and cost of sales

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period		Prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Principal operating activities	12,155,437,573	8,254,214,075	10,305,074,500	7,451,547,732
Other operating activities	58,534,029	49,994,914	50,564,693	44,405,913
Total	12,213,971,602	8,304,208,989	10,355,639,193	7,495,953,645

(2) Presentation of revenue and cost of sales by business type is as follows

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period		Prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Rail transit equipment business	6,910,954,143	4,290,320,410	6,138,828,837	4,221,851,772
Emerging equipment business	5,244,483,430	3,963,893,665	4,166,245,663	3,229,695,960
Others	58,534,029	49,994,914	50,564,693	44,405,913
Total	12,213,971,602	8,304,208,989	10,355,639,193	7,495,953,645

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

44. Revenue and cost of sales (continued)

(3) Details of revenue from contracts

Unit: Yuan Currency: RMB

Type of contract	Current period	Prior period
By geographical areas of sales		
Chinese Mainland	11,456,856,340	9,761,917,736
Other countries and regions	757,115,262	593,721,457
Total	12,213,971,602	10,355,639,193

Other information

☐ Applicable ☒ Not applicable

(4) Description of performance obligations

☒ Applicable ☐ Not applicable

Sales of goods and materials

The Group mainly sells rail transit equipment and components, which are mainly delivered using land transportation. The Group recognizes revenue upon receipts and acceptance of the goods by the customer.

Advances from customer before delivery of rail transit equipment and components are recognized as contract liabilities in the financial statements. There is no significant financing component and right of return during the course of sales of rail transit equipment and components.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

44. Revenue and cost of sales (continued)

(4) Description of performance obligations (continued)

Revenue from maintenance service

The Group mainly repairs and maintains rail transit equipment and components. According to the service contract, the maintenance service is subject to customer's acceptance upon delivery, and the Group is entitled to collect the payment upon acceptance by the customer.

Revenue from construction contracts

The Group's construction contracts are mainly for the production of offshore products such as deep-sea robots and for engaging in photovoltaic power plant EPC projects.

For the production and sale of offshore products, the Group recognizes revenue in accordance with the progress of performance as a performance obligation to be fulfilled within a certain period of time, as the goods produced by the Group in the course of performance have irreplaceable uses and the Group is entitled to receive payment for the cumulative portion of the performance performed to date throughout the period of the contract. The Group uses the input method to determine the progress of performance.

For EPC projects of photovoltaic power plants, as the Group's customers are able to control the Group's assets under construction in the course of performance, the Group recognizes revenue in accordance with the progress of performance by treating them as performance obligations to be fulfilled within a certain period of time. The Group uses the output method to determine the progress of performance.

There are no significant financing components or rights of return in the sales process of offshore products or in the process of engaging in EPC projects for photovoltaic power plants.

(5) Descriptions of allocated remaining performance obligations

☐ Applicable ☒ Not applicable

(6) Significant changes in contracts or significant adjustments to transaction prices

☐ Applicable ☒ Not applicable

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

45. Taxes and surcharges

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
City maintenance and construction tax	34,986,113	20,814,289
Education surcharges	25,223,403	15,141,595
Others	36,887,824	27,916,620
Total	97,097,340	63,872,504

Other information:

None

46. Selling expenses

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits	137,070,590	125,847,489
Installation fees	199,292	592,653
Office and travel expenses	36,816,072	34,127,544
Business entertainment expenses	14,163,417	13,881,601
Bidding and tendering fees	16,253,759	7,483,512
Advertising and publicity cost	3,539,079	4,384,188
Others	20,135,387	20,823,686
Total	228,177,596	207,140,673

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

47. Administrative expenses

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits (excluding employee compensation under the defined benefit plan)	251,446,187	220,805,964
Depreciation and amortisation expenses	86,432,950	49,156,672
Facility maintenance cost	18,101,026	39,251,143
Office and travel expenses and conference fee	19,333,336	13,338,352
Property management fee	13,109,994	13,230,694
Service fees for intermediaries and professional institutions	16,063,626	13,466,228
Utilities expenses	11,976,595	9,676,708
Insurance expenses	5,290,523	4,920,179
Rental expenses	7,402,063	6,697,885
Business entertainment expenses	4,696,738	4,426,403
Others	38,460,726	64,088,767
Total	472,313,764	439,058,995

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

48. Research and development expenses

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits	647,390,202	502,151,976
Cost of materials consumed	287,672,754	181,415,180
Depreciation and amortisation expenses	157,816,728	131,148,490
Technical service fee	35,235,263	41,827,792
Office and travel expenses	53,815,727	41,851,790
Experiment and inspection cost	17,032,004	8,933,705
Others	15,537,776	52,005,744
Total	1,214,500,454	959,334,677

Other information:

None

49. Finance expense

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Interest expenses	9,677,118	15,033,499
Interest expenses of lease liabilities	6,019,878	10,643,324
Less: Capitalised interest expenses	5,591,556	—
Interest income	-156,837,561	-145,691,997
Net exchange losses (gains)	-40,967,043	34,963,103
Financial institution charges	7,750,500	8,326,793
Others	1,621,801	-589,015
Total	-178,326,863	-77,314,293

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

50. Other income

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Other income	<u>227,773,732</u>	<u>499,160,494</u>
Total	<u>227,773,732</u>	<u>499,160,494</u>

Other information:

None

51. Investment income

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Gains from long-term equity investments under the equity method (loss)	<u>-5,725,477</u>	<u>-10,684,725</u>
Gains on disposal of held-for-trading financial assets	<u>-3,437,313</u>	<u>28,832,390</u>
Gain (loss) on derecognition of receivables financing	<u>-3,244,518</u>	<u>-1,073,206</u>
Total	<u>-12,407,308</u>	<u>17,074,459</u>

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

52. Gains on changes in fair value

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Source of gains on changes in fair value	Current period	Prior period
Held-for-trading financial assets	8,109,370	27,776,390
Total	8,109,370	27,776,390

Other information:

None

53. Gains on disposal of assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Gains/(losses) on disposal of fixed assets	-57,877	2,866,151
Gains/(losses) on the derecognition of right-of-use assets	-624,580	92,381
Total	-682,457	2,958,532

Other information:

☐Applicable ☒Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

54. Credit losses

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Losses on credit impairment of bills receivable	-197,459	1,184,829
Losses on credit impairment of accounts receivable	-215,631,488	-97,253,795
Losses on credit impairment of other receivables	-3,804,480	-185,171
Total	-219,633,427	-96,254,137

Other information:

None

55. Impairment losses

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Losses on impairment of inventories	-2,437,512	-44,407,029
Losses on impairment of contract assets	-12,095,047	-4,562,567
Losses on impairment of other non-current assets	10,489,188	6,404,769
Total	-4,043,371	-42,564,827

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

56. Non-operating income

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period	Amount included in non-recurring gain or loss for the current period	Amount included in non-recurring gain or loss for the prior period
Unsettled payment	8,645,252	5,822,831	8,645,252	5,822,831
Income from insurance claims	3,077,872	5,231,651	3,077,872	5,231,651
Penalty income and default compensation income	242,897	2,992,654	242,897	2,992,654
Others	9,289,061	2,335,870	9,289,061	2,335,870
Total	21,255,082	16,383,006	21,255,082	16,383,006

Other information:

☐Applicable ☒Not applicable

57. Non-operating expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period	Amount included in non-recurring gain or loss for the current period	Amount included in non-recurring gain or loss for the prior period
Expenses on penalties and default compensation	8,289,787	9,445,085	8,289,787	9,445,085
Others	335,845	633,695	335,845	633,695
Total	8,625,632	10,078,780	8,625,632	10,078,780

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

58. Income tax expenses

(1) Table of income tax expenses

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Current income tax expenses	465,763,596	357,626,294
Deferred income tax expenses	-162,213,339	-249,914,994
Total	303,550,257	107,711,300

(2) Reconciliation of accounting profits and income tax expenses

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Total profit	2,087,746,311	1,682,048,129
Income tax expenses calculated at statutory tax rate of 15%	313,161,946	252,307,219
Effect of preferential tax rate applicable to the Company and its certain subsidiaries	6,820,913	-5,310,134
Effect of joint ventures and associates	858,822	2,310,693
Effect of expenses that are not deductible for tax purposes	6,838,158	2,463,881
Effect of using deductible losses for which no deferred tax assets were recognised for the prior period	-57,344,001	-103,677,664
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognised in the current period	72,172,158	16,911,124
Effect of additional deduction of R&D expenses	-97,962,284	-93,364,209
Others	59,004,545	36,070,390
Income tax expenses	303,550,257	107,711,300

Other information:

✓Applicable ☐Not applicable

Note 1: Income tax expenses of the Group include income tax of the Group's subsidiaries in PRC calculated based on the taxable income at the applicable tax rate and income tax of the Group's subsidiaries not located in PRC calculated based on the taxable income at the applicable tax rate under the local tax laws and regulations.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

59. Items in the cash flow statement

(1) Cash related to operating activities

Other cash receipts relating to operating activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Interest income	36,988,251	54,271,066
Current accounts received	113,882,152	71,930,948
Others	92,693,241	90,628,882
Total	243,563,644	216,830,896

Description of other cash received related to operating activities:

None

Other cash payments relating to operating activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payments for selling expenses, and administrative expenses	235,169,735	348,131,648
Estimated expenditure on product quality assurance	372,065,831	336,700,754
Bank charges	9,372,301	8,326,793
Current accounts paid	—	3,528,500
Others	18,846,602	13,939,386
Total	635,454,469	710,627,081

Description of other cash payments relating to operating activities:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

59. Items in the cash flow statement (continued)

(2) Cash related to investing activities

Significant cash receipts relating to investing activities

☐ Applicable ☒ Not applicable

Significant cash payments relating to investing activities

☐ Applicable ☒ Not applicable

Other cash receipts relating to investing activities

☐ Applicable ☒ Not applicable

Other cash payments relating to investing activities

☐ Applicable ☒ Not applicable

(3) Cash related to financing activities

Other cash receipts relating to financing activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Leases collection	1,186,639	526,521
Current borrowings	1,097,000,000	—
Others	92,030,717	—
Total	1,190,217,356	526,521

Description of other cash payments relating to financing activities:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

59. Items in the cash flow statement (continued)

(3) Cash related to financing activities (continued)

Other cash payments relating to financing activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payment of lease liabilities	72,947,683	73,561,122
Repurchase of shares	—	89,954,271
Total	72,947,683	163,515,393

Description of other cash payments relating to financing activities:

None

Changes in liabilities arising from financing activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Cash changes	Non cash changes	Cash changes	Non cash changes	
short-term loans	39,010,667	18,240,216	3,965,378	—	—	61,216,261
Dividends payable	—	—	1,372,003,412	14,000,000	—	1,358,003,412
Long-term loans (Including long-term borrowings due within one year)	71,084,779	—	—	9,939,765	5,024	61,139,990
Lease liabilities (Including lease liabilities due within one year)	278,676,975	—	80,900,157	72,947,683	1,074,250	285,555,199
Total	388,772,421	18,240,216	1,456,868,947	96,887,448	1,079,274	1,765,914,862

(4) Description of cash flows presented on a net basis

☐ Applicable ☒ Not applicable

(5) Significant activities and financial effects that do not involve current cash receipts and disbursements but affect the enterprise's financial position or may affect the enterprise's cash flows in the future

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

60. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	1,784,196,054	1,574,336,829
Add: Impairment losses	4,043,371	42,564,827
Credit losses	219,633,427	96,254,137
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	523,860,799	399,311,853
Depreciation of right-of-use assets	75,031,276	60,103,832
Amortisation of intangible assets	128,207,179	123,020,478
Amortisation of long-term prepaid expenses	3,991,626	4,910,175
Losses on disposal of fixed assets, intangible assets and other non-current assets ("-" for gains)	96,207	-2,958,534
Losses on changes in fair value ("-" for gains)	-8,109,370	-27,776,390
Finance costs ("-" for incomes)	-150,710,913	-31,206,754
Investment losses ("-" for gains)	9,162,790	-18,147,665
Decrease in deferred tax assets ("-" for increases)	-155,535,210	-237,917,325
Increase in deferred tax liabilities ("-" for decrease)	-7,034,771	-5,023,587
Decrease in inventories ("-" for increase)	-1,130,291,021	-653,138,294
Decrease in operating receivables ("-" for increase)	-2,259,540,272	-2,129,101,289
Increase in operating payables ("-" for decrease)	2,889,694,422	1,765,575,981
Others	-47,279,221	-309,415,193
Net cash flow from operating activities	1,879,416,373	651,393,081
2. Significant investment and financing activities not involving cash receipts and payments:		
Conversion of debt into capital	-	-
Convertible corporate bonds due within one year	-	-
Acquire fixed assets by finance leases	-	-
3. Net movement in cash and cash equivalents:		
Closing balance of cash	5,524,896,400	9,127,845,188
Less: Opening balance of cash	7,637,572,817	7,013,542,578
Net increase in cash and cash equivalents	-2,112,676,417	2,114,302,610

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

60. Supplementary information to the cash flow statement (continued)

(2) Net cash paid for acquisition of subsidiaries in the current period

☐ Applicable ☒ Not applicable

(3) Net cash received from disposal of subsidiaries in the current period

☐ Applicable ☒ Not applicable

(4) Composition of cash and cash equivalents

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	5,524,896,400	7,637,572,817
Including: Cash on hand	18,718	15,907
Bank deposits on demand	5,524,877,682	7,637,556,910
II. Closing balance of cash and cash equivalents	5,524,896,400	7,637,572,817

(5) Restricted items but still presented as cash and cash equivalents

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

60. Supplementary information to the cash flow statement (continued)

(6) Cash at bank and on hand that are not classified as cash and cash equivalents

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period	Reasons
Bank deposits	1,545,705,962	1,033,226,342	Time deposits with maturity over three months
Other monetary funds	630,909,443	1,981,380,055	Deposits for bank acceptance and deposits for letter of guarantee and Equity repurchase securities account funds
Total	2,176,615,405	3,014,606,397	/

Other information:

☐ Applicable ☒ Not applicable

61. Notes to items in statement of changes in owner's equity

Explain the name and adjustment amount of "other" items that adjusted the balance at the end of the previous year:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

62. Foreign currency monetary items

(1) Foreign currency monetary items

✓Applicable ☐Not applicable

Unit: Yuan

Item	Foreign currency balance at 30 June 2025	Exchange rate	Equivalent to RMB Yuan at 30 June 2025
Cash and bank balances			276,587,131
Including: HKD	144,361,113	0.9120	131,657,335
GBP	3,332,199	9.8300	32,755,516
EUR	5,771,459	8.4024	48,494,107
USD	1,831,826	7.1586	13,113,310
MXN	63,018,326	0.3809	24,003,680
Others	/	/	26,563,183
Accounts receivable			181,025,857
Including: EUR	18,324,809	8.4024	153,972,376
USD	3,021,570	7.1586	21,630,212
HKD	3,480,405	0.9120	3,174,129
GBP	228,804	9.8300	2,249,140
Others	/	/	/
Other receivable			237
Including: HKD	260	0.9120	237
Accounts payable			135,979,082
Including: EUR	5,477,587	8.4024	46,024,874
USD	6,082,656	7.1586	43,543,298
GBP	1,075,881	9.8300	10,575,909
JPY	520,452,843	0.0496	25,814,461
Others	/	/	10,020,540
Other payables			103,188,163
Including: USD	8,701,764	7.1586	62,292,449
EUR	2,621,058	8.4024	22,023,178
JPY	366,520,715	0.0496	18,179,427
Others	/	/	693,109

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

62. Foreign currency monetary items (continued)

(2) Description of overseas operating entities, including for significant overseas operating entities, it should disclose its main overseas business location, recording currency and selection basis. If the recording currency changes, it should also disclose the reasons.

☒Applicable ☐Not applicable

Name of overseas business entity	significant principal place of business	Functional currency
Specialist Machine Developments	UK	GBP

63. Lease

(1) As a lessee

☒Applicable ☐Not applicable

Variable lease payments not included in the measurement of lease liabilities

☐Applicable ☒Not applicable

Expenses of short-term lease and low-value asset lease for which the practical expedient has been applied

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period 2025	Prior period 2024
Expenses of short-term lease and low-value asset lease for which the practical expedient has been selected to apply	<u>4,292,397</u>	<u>11,010,628</u>

Sale and leaseback transactions and basis of judgment

☐Applicable ☒Not applicable

Total cash outflows related to leases 78,847,765 (Unit: Yuan Currency: RMB)

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

63. Lease (continued)

(2) As a lessor

Operating lease as a lessor

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Rental income	Including: income relating to variable lease payments not included in lease receipts
Buildings	6,232,977	—
Machinery and equipment	6,273,220	—
Intangible assets	—	—
Total	<u>12,506,197</u>	<u>—</u>

The undiscounted lease receipts to be received by the Group after the balance sheet date are as follows:

Unit: Yuan Currency: RMB

Item	Annual undiscounted lease receipts	
	Amount at the end of the period	Amount at the beginning of the period
Within 1 year (including 1 year)	8,070,269	24,839,711
1 to 2 years (including 2 years)	505,860	3,056,960
2 to 3 years (including 3 years)	—	1,700,000
3 to 4 years (including 4 years)	—	850,000
4 to 5 years (including 5 years)	—	—
More than 5 years	—	—
Total	<u>8,576,129</u>	<u>30,446,671</u>

Financial lease as a lessor

✓Applicable ☐Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

63. Lease (continued)

(2) As a lessor (continued)

Unit: Yuan Currency: RMB

Item	Gain or loss on sale	Financing income	Income relating to variable lease payments not included in net investment in leases
Buildings	—	33,321	—
Total	—	33,321	—

Reconciliation of undiscounted lease receipts to net investment in leases

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Annual undiscounted lease receipts	
	Amount at the end of the period	Amount at the beginning of the period
Within 1 year (including 1 year)	1,101,960	1,599,147
1 to 2 years (including 2 years)	—	302,386
2 to 3 years (including 3 years)	—	—
3 to 4 years (including 4 years)	—	—
4 to 5 years (including 5 years)	—	—
More than 5 years	—	—
Subtotal of undiscounted lease receipts	1,101,960	1,901,533
Less: Unrealized financing gains	16,500	49,821
Net investment in leases	1,085,460	1,851,712

Undiscounted lease receipts for the next five years

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

63. Lease (continued)

(3) Recognition of gain or loss on sales under finance leases as a manufacturer or distributor

☐Applicable ☒Not applicable

Other information

None

64. Others

☐Applicable ☒Not applicable

Section VIII Financial Report

VIII. R&D EXPENDITURES

(1) Presentation by nature of expenses

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Employee remuneration	657,856,905	509,272,827
Depreciation and amortization	157,816,728	131,148,490
Material consumption	321,478,230	192,338,310
Technical services	44,180,734	53,641,221
Others	89,416,449	101,839,456
Total	<u>1,270,749,046</u>	<u>988,240,304</u>
Including: Expensed R&D expenditures	1,214,500,454	959,334,677
Capitalized R&D expenditures	<u>56,248,592</u>	<u>28,905,627</u>

Other information:

None

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VIII. R&D EXPENDITURES (continued)

(2) Development expenditure on R&D projects eligible for capitalization

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Internal development expenditure	Translation difference of foreign currency statements	Recognized as an intangible asset	Transfer to current profit or loss	
Project 1	52,464,790	13,734,203	–	–	–	66,198,993
Project 2	31,824,260	–	1,321,145	33,145,405	–	–
Project 3	24,949,517	–	–	–	–	24,949,517
Project 4	17,775,937	3,449,224	1,613,144	–	–	22,838,305
Project 5	17,765,329	–	–	–	–	17,765,329
Project 6	13,333,997	1,539,412	1,168,286	–	–	16,041,695
Project 7	11,803,717	7,680,501	1,285,961	–	–	20,770,179
Others	84,506,726	1,244,345,706	896,183	–	1,214,500,454	115,248,161
Total	254,424,273	1,270,749,046	6,284,719	33,145,405	1,214,500,454	283,812,179

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VIII. R&D EXPENDITURES (continued)

(2) Development expenditure on R&D projects eligible for capitalization (continued)

Significant capitalized R&D projects

☒Applicable ☐Not applicable

Item	R&D progress	Expected completion date	Expected manner of generation of economic benefits	Point of commencement of capitalization	Specific basis
Project 1	95%	2026/06	Realize sales	2024/04	The project has been completed in the research stage. It is expected that the product can realize and bring economic benefits, and the costs in the development stage can be accurately measured.
Project 3	95%	2025/12	Realize sales	2019/12	The project has been completed in the research stage. It is expected that the product can realize and bring economic benefits, and the costs in the development stage can be accurately measured.
Project 4	96%	2025/12	Realize sales	2019/07	The project has been completed in the research stage. It is expected that the product can realize and bring economic benefits, and the costs in the development stage can be accurately measured.
Project 7	40%	2025/09	Realize sales	2023/03	The project has been completed in the research stage. It is expected that the product can realize and bring economic benefits, and the costs in the development stage can be accurately measured.

Provision for impairment of development expenditure

☐Applicable ☒Not applicable

Other information

None

(3) Significant outsourced in-process R&D projects

☐Applicable ☒Not applicable

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IX. CHANGE IN CONSOLIDATION SCOPE

1. Business combinations involving entities not under common control

☐Applicable ☒Not applicable

2. Business combination involving entities under common control

☐Applicable ☒Not applicable

3. Reverse acquisition

☐Applicable ☒Not applicable

4. Disposal of subsidiaries

Whether there are circumstances in which the disposal of investments in subsidiaries through a single transaction resulted in loss of control

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Whether there is a disposal of investments in subsidiaries through multiple transactions resulting in loss of control during the period

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

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IX. CHANGE IN CONSOLIDATION SCOPE (continued)

5. Other reasons for change of consolidation scope

Explanation of changes in the scope of consolidation due to other reasons (e.g., newly established subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

☐ Applicable ☒ Not applicable

6. Others

☐ Applicable ☒ Not applicable

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the Subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Proportion of shareholding (%)		Acquisition method
					Direct	Indirect	
Ningbo CRRC Times	Ningbo, Zhejiang	RMB296,786,200	Ningbo, Zhejiang 2#	Manufacturing	100	–	Incorporation
CRRC Times Electronics	Zhuzhou, Hunan	RMB80,000,000	Zhuzhou, Hunan 2#	Manufacturing	100	–	Incorporation
Shenyang CRRC Times	Shenyang, Liaoning	RMB56,000,000	Shenyang, Liaoning 2#	Manufacturing	100	–	Incorporation
CRRC Times Semiconductor	Zhuzhou, Hunan	RMB5,647,633,598	Zhuzhou, Hunan 2#	Manufacturing	77.83	–	Incorporation
Baoji CRRC Times	Baoji, Shanxi	RMB589,258,590	Baoji, Shanxi 2#	Manufacturing	100	–	Incorporation
Taiyuan CRRC Times	Taiyuan, Shanxi	RMB307,620,400	Taiyuan, Shanxi 2#	Manufacturing	–	55	Incorporation
Kunming CRRC Times Electric Equipment Co., Ltd. ("Kunming Electric")	Kunming, Yunnan	RMB55,000,000	Kunming, Yunnan 2#	Manufacturing	100	–	Incorporation
Hangzhou CRRC Times Electric Equipment Co., Ltd. ("Hangzhou Electric")	Hangzhou, Zhejiang	RMB75,000,000	Hangzhou, Zhejiang 2#	Manufacturing	60	–	Incorporation
Guangzhou CRRC Times Electric Technology Co., Ltd. ("Guangzhou Electric")	Guangzhou, Guangdong	RMB30,000,000	Guangzhou, Guangdong 2#	Manufacturing	60	–	Incorporation

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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of the Subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Proportion of shareholding (%)		Acquisition method
					Direct	Indirect	
HK CRRC Times Electric	Hong Kong	HKD856,952,000	Hong Kong	Investment holding	100	–	Incorporation
Ningbo CRRC Electric	Ningbo, Zhejiang	RMB200,000,000	Ningbo, Zhejiang 2#	Manufacturing	55	–	Incorporation
Chengdu CRRC Electric	Chengdu, Sichuan	RMB30,000,000	Chengdu, Sichuan 2#	Manufacturing	100	–	Incorporation
Qingdao CRRC Electric	Qingdao, Shandong	RMB100,000,000	Qingdao, Shandong 2#	Manufacturing	45	–	Incorporation
Shanghai CRRC Rail Transit Technology Co., Ltd. ("Shanghai CRRC Rail Transit")	Shanghai	RMB50,000,000	Shanghai 2#	Manufacturing	51	–	Incorporation
CRRC Times Software	Zhuzhou, Hunan	RMB100,000,000	Zhuzhou, Hunan 2#	Software service	100	–	Incorporation
Hunan CRRC Signal	Changsha, Hunan	RMB549,000,000	Changsha, Hunan 2#	Manufacturing	100	–	Incorporation
Lanzhou CRRC Times Rail Transit Technology Co., Ltd. ("Lanzhou Times")	Lanzhou, Gansu	RMB50,000,000	Lanzhou, Gansu 2#	Manufacturing	51	–	Incorporation
Shanghai CRRC SMD	Shanghai	RMB720,000,000	Shanghai 2#	Manufacturing	100	–	Incorporation
CRRC Times Electric Australia Pty. Ltd. ("Times Australia")	Australia	AUD290,000	Australia	Trading	100	–	Incorporation
CRRC Times Electric USA, LLC ("Times USA")	USA	USD430,000	USA	Trading	100	–	Incorporation
Chongqing CRRC Electric	Chongqing	RMB150,000,000	Chongqing 2#	Manufacturing	60	–	Incorporation
FAW CRRC Electric Drive System Co., Ltd.	Changchun, Jilin	RMB500,000,000	Changchun, Jilin 2#	Manufacturing	50	–	Incorporation
Yixing CRRC Times Semiconductor Co., Ltd.	Wuxi, Jiangsu	RMB3,600,000,000	Wuxi, Jiangsu 2#	Manufacturing	–	100	Incorporation
Hefei CRRC Times Semiconductor Co., Ltd.	Hefei, Anhui	RMB310,000,000	Hefei, Anhui 2#	Manufacturing	–	100	Incorporation
Hunan CRRC Electric Drive	Zhuzhou, Hunan	RMB1,000,000,000	Zhuzhou, Hunan 2#	Manufacturing	83.30	–	Incorporation
CRRC Era Electric Drive Technology Co., Ltd. in Indonesia	Indonesia	IDR111,000,000,000	Indonesia	Manufacturing	51	49	Incorporation
Canada Dynex	Canada	CAD37,096,192	Canada	Investment holding	100	–	By business combination not involving enterprises under common control
Dynex Semiconductor Limited	UK	GBP15,000,000	UK	Manufacturing	–	100	By business combination not involving enterprises under common control

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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of the Subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Proportion of shareholding (%)		Acquisition method
					Direct	Indirect	
SMD	UK	GBP44,049,014	UK	Investment holding	–	100	By business combination not involving enterprises under common control
Soil Machine Dynamics Limited	UK	GBP938,950	UK	Manufacturing	–	100	By business combination not involving enterprises under common control
SMD Offshore Support Limited	UK	GBP2	UK	Trading	–	100	By business combination not involving enterprises under common control
SMD Robotics Limited	UK	GBP1	UK	Trading	–	100	By business combination not involving enterprises under common control
SMD do Brasil Ltd.	Brazil	BRL100	Brazil	Trading	–	100	By business combination not involving enterprises under common control
Wuxi CRRC Electric Drive	Wuxi, Jiangsu	RMB320,590,800	Wuxi, Jiangsu 2#	Manufacturing		88	By business combination not involving enterprises under common control
CRRC National Centre of Converters	Zhuzhou, Hunan	RMB890,600,000	Zhuzhou, Hunan 2#	Manufacturing	100	–	By business combination involving enterprises under common control
CRRC Commercial Vehicle Power	Zhuzhou, Hunan	RMB205,554,480	Zhuzhou, Hunan 2#	Manufacturing	100	–	By business combination involving enterprises under common control

Descriptions of the difference between the proportion of shareholding and the proportion of voting rights:

Please refer to note 1 and note 2.

The basis for holding half or less of the voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:

Note 1: The Company considers that it controls Qingdao CRRC Electric Equipment Co., Ltd. ("Qingdao CRRC Electric") even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of Qingdao CRRC Electric with a 45% equity interest. Pursuant to the Articles of Association of Qingdao CRRC Electric, for resolutions of the shareholders' meeting affecting relative operating activities of Qingdao CRRC Electric, CRRC Qingdao Sifang Co., Ltd., a related party of the Company, which owns Qingdao CRRC Electric 38% equity interest, commits to comply with the Company in the exercise of the proposal rights and voting rights. The Company recommends four of the seven directors in Board of Qingdao CRRC Electric and the resolutions of Board are deemed as valid when more than half of all directors approve.

Note 2: The Company considers that it also controls FAW CRRC Electric Drive System Co., Ltd. even though it owns only 50% of the voting rights. This is because the Company holds 50% equity interest in FAW CRRC Electric Drive System Co., Ltd. and appoints three of the five directors in its Board of Directors. The resolutions of the Board of Directors can be divided into ordinary resolutions and special resolutions. Special resolutions shall be adopted when more than two thirds of all directors approve, while other matters shall be adopted when more than one half of all directors approve. For matters in which agreement cannot be reached after negotiation through the procedures agreed by both parties, the opinions of the Company shall be adopted. Therefore, the Company believes that it has the right to control FAW CRRC Electric Drive System Co., Ltd.

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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Basis for consolidating significant structured entities based on control:

Not applicable

Rationale for determining whether the Company is an agent or principal:

Not applicable

Other information:

#1 company limited by shares

#2 limited liability company

(2) Significant non-wholly owned subsidiaries

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the Subsidiaries	Proportion of shareholding of non-controlling shareholders (%)	Profit (Loss) attributable to non-controlling shareholders	Dividends paid to non-controlling shareholders	Closing balance of non-controlling interests
CRRC Times Semiconductor	22.17	97,983,034	–	2,503,126,696

Description of the circumstances in which the proportion of shareholdings of the non-controlling interests in a subsidiary is different from that of voting rights:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3) Key financial information of significant non-wholly owned subsidiaries

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of the Subsidiaries	Balance at the end of the period						Balance at the beginning of the year					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CRRC Times Semiconductor	7,623,043,996	8,869,768,984	16,492,812,979	5,053,662,845	171,774,279	5,225,437,124	5,724,707,285	8,438,424,611	14,163,131,896	3,165,694,569	167,709,378	3,333,403,947

Name of the Subsidiaries	Amount incurred in the current period				Amount incurred in the prior period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CRRC Times Semiconductor	2,440,250,390	441,962,264	434,773,010	290,331,369	2,047,834,098	707,715,571	702,301,785	106,908,444

Other information:

None

(4) Material restriction on the use of the Group's assets and the settlement of the Group's liabilities:

☐Applicable ☒Not applicable

(5) Financial support and other assistance provided to structured entities included in the consolidated financial statements:

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

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X. INTERESTS IN OTHER ENTITIES (continued)

2. Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

☒Applicable ☐Not applicable

(1) Changes in the Group's interests in subsidiaries

☐Applicable ☒Not applicable

(2) Impact of transactions on non-controlling interests and equity attributable to the owners of the parent company

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

3. Equity in associates or joint ventures

☒Applicable ☐Not applicable

(1) Significant joint ventures or associates

☐Applicable ☒Not applicable

(2) Main financial information of significant joint ventures

☐Applicable ☒Not applicable

(3) Main financial information of significant associates

☐Applicable ☒Not applicable

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X. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in associates or joint ventures (continued)

(4) Financial information of insignificant joint ventures and associates

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Balance at the end of the period/Amount for the current period	Balance at the beginning of the period/Amount for the prior period
Joint ventures:		
Aggregate carrying amount of investments	262,925,835	265,395,108
Aggregate amount calculated based on the shareholding proportion		
– Net profit	-4,742,029	-14,882,980
– Other comprehensive income	–	–
– Total comprehensive income	<u>-4,742,029</u>	<u>-14,882,980</u>
Associates:		
Aggregate carrying amount of investments	301,568,646	307,049,312
Aggregate amount calculated based on the shareholding proportion		
– Net profit	-10,460,586	-20,829,066
– Other comprehensive income	–	–
– Total comprehensive income	<u>-10,460,586</u>	<u>-20,829,066</u>
Other information		
None		

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X. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in associates or joint ventures (continued)

(5) Description of material restrictions on transfers of funds from joint ventures or associates to the Company

☐Applicable ☒Not applicable

(6) Excess loss from joint ventures or associates

☐Applicable ☒Not applicable

(7) Unrecognised commitments related to the investments in joint ventures

☐Applicable ☒Not applicable

(8) Contingent liabilities related to investments in joint ventures or associates

☐Applicable ☒Not applicable

4. Significant joint operations

☐Applicable ☒Not applicable

5. Interests in structured entities not included in the consolidated financial statements

Other information about the structured entities that are not included in consolidated financial statements:

☐Applicable ☒Not applicable

6. Others

☐Applicable ☒Not applicable



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XI. GOVERNMENT GRANTS

(1) Government grants recognised based on receivables at the end of the reporting period

☐Applicable ☒Not applicable

The reasons for not receiving the grant amounts at the expected dates

☐Applicable ☒Not applicable

(2) Liabilities relating to government grants

☐Applicable ☒Not applicable

(3) Government grants recognised in profit or loss for the current period

☐Applicable ☒Not applicable

Other information:

None

Section VIII Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS

1. Risks of financial instruments

✓Applicable ☐Not applicable

1. Category of financial instruments

The Group's main financial instruments include cash and bank balances, held-for-trading financial assets, bills receivable, accounts receivable, trade receivables financing, other receivables, other equity instrument investments, other current assets, non-current assets due within one year, long-term receivables, other non-current assets, bills payable, trade payables, other payables, borrowings, long-term payables and lease liabilities. As at 30 June 2025, the Group's holdings of financial instruments are as follows, detailed in Note VII. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored at a certain level.

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets		
<i>At FVTPL</i>		
Held-for-trading financial assets	182,972,219	3,533,861,455
<i>At FVTOCI</i>		
Trade receivables financing	3,442,503,952	3,821,703,358
Other equity instrument investments	266,823,520	266,823,520
<i>At amortised cost</i>		
Cash and bank balances	7,701,511,805	10,652,179,214
Bills receivable	3,755,555,776	3,224,588,596
Accounts receivable	13,036,725,848	11,612,385,573
Other receivables	321,281,117	247,407,254
Other current assets	1,423,742,945	1,022,607,338
Non-current assets due within one year	1,672,608,254	2,628,347,569
Long-term receivables	783,073	1,969,712
Other non-current assets	9,065,443,098	1,968,103,723
Financial liabilities		
<i>At amortised cost</i>		
Short-term borrowings	61,216,261	39,010,667
Bills payable	6,662,372,833	5,816,830,991
Accounts payable	8,955,418,788	8,289,622,832
Other payables	4,473,163,132	1,869,975,564
Long-term borrowings (including long-term borrowings due within one year)	61,139,990	71,084,779
Lease liabilities (including lease liabilities due within one year)	285,555,199	278,676,975
Long-term payables	—	72,823

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk. The Group's risk management policies are outlined below.

(1) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which mainly comprise cash and bank balances, bills receivable and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The credit risk on cash and bank balances is limited because they are deposited with banks with high credit ratings.

The major customers of the Group are subsidiaries of CRRC Corporation Limited as well as other state-owned enterprises and institutions in the railway transportation industry. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. As at 30 June 2025 and 31 December 2024, the Group had certain concentrations of credit risk as 14.26% and 17.79% of the Group's accounts receivable were due from the Group's largest customer. As at 30 June 2025 and 31 December 2024, 20.12% and 23.07% of the Group's accounts receivable were due from the five largest customers.

Principles for assessing whether the credit risk has increased significantly since the initial recognition, basis for determining the credit impairment of financial assets, the method to assessing expected credit risk on a portfolio basis and the direct write down policy are listed in Note V. 11. (2).

As part of the Group's credit risk management, the Group uses the ageing of accounts receivable to assess the credit impairment losses of receivables arising from various kinds of business. This type of business involves a large number of customers, which with the same risk characteristics, and the ageing information can reflect the solvency of them when the accounts receivable expire.

The above-mentioned expected average loss rate is based on historically actual bad debt rate and takes current conditions and forecasts of future economic conditions into consideration.

The Group reviews the recoverable amount of the financial assets at each balance sheet date to ensure that adequate credit loss allowance is made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk assumed is significantly reduced.

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

(2) Liquidity risk

The Group monitors its risk of shortage of funds using a continuous liquidity planning tool. This tool considers both the maturity of its financial instruments and expected cash flows from the Group's operations.

The Group's objective is to maintain a balance between the continuity of funding and flexibility through the use of various financing means, such as note settlement and bank borrowings. The Group has obtained banking facilities from several commercial banks to meet working capital requirements and capital expenditures.

The Group's management monitors the liquidity position of the Group on an ongoing basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Group's financial resources.

The maturity analysis of the Group's financial liabilities based on the undiscounted contractual cash flows is as follows:

As at 30 June 2025

Unit: Yuan Currency: RMB

Item	Closing balance				Total	Carrying amount
	Within 1 year	1-2 years	2-5 years	Over 5 years		
Short-term borrowings	63,180,548	-	-	-	63,180,548	61,216,261
Bills payable	6,662,372,833	-	-	-	6,662,372,833	6,662,372,833
Accounts payable	8,955,418,788	-	-	-	8,955,418,788	8,955,418,788
Other payables (excluding dividends payable)	3,115,159,720	-	-	-	3,115,159,720	3,115,159,720
Long-term borrowings (including long-term borrowings due within one year)	8,401,150	10,550,330	36,915,190	7,227,134	63,093,804	61,139,990
Lease liabilities (including lease liabilities due within one year)	108,066,422	74,972,808	93,085,636	31,160,820	307,285,686	285,555,199
Long-term payables	-	-	-	-	-	-
Total	18,912,599,461	85,523,138	130,000,826	38,387,954	19,166,511,379	19,140,862,791

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

(2) Liquidity risk (continued)

As at 31 December 2024

Unit: Yuan Currency: RMB

Item	Within 1 year	1-2 years	Closing balance		Total	Carrying amount
			2-5 years	Over 5 years		
Short-term borrowings	41,741,413	–	–	–	41,741,413	39,010,667
Bills payable	5,816,830,991	–	–	–	5,816,830,991	5,816,830,991
Accounts payable	8,289,622,832	–	–	–	8,289,622,832	8,289,622,832
Other payables (excluding dividends payable)	1,869,975,564	–	–	–	1,869,975,564	1,869,975,564
Long-term borrowings (including long-term borrowings due within one year)	9,594,696	13,940,541	36,605,315	13,297,764	73,438,316	71,084,779
Lease liabilities (including lease liabilities due within one year)	108,232,343	66,492,516	103,800,583	32,118,630	310,644,072	278,676,975
Long-term payables	–	72,823	–	–	72,823	72,823
Total	<u>16,135,997,839</u>	<u>80,505,880</u>	<u>140,405,898</u>	<u>45,416,394</u>	<u>16,402,326,011</u>	<u>16,365,274,631</u>

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

(3) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk of fluctuation in the fair value of the Group's financial instruments due to changes in market interest rates is mainly related to the Group's borrowings with fixed interest rates, bonds payable, other current assets and long-term receivables. The risk of fluctuations in future cash flows of the Group's financial instruments due to changes in market interest rates relates mainly to the Group's liabilities with floating interest rates.

The following table presents the sensitivity analysis of Interest rate risk, reflecting the Impact on net profit (through the impact on borrowings with floating interest rates) that would arise from a reasonable and probable change in interest rates under the assumption that all other variables remain unchanged (after taking into account the impact of capitalization of borrowing costs).

Unit: Yuan Currency: RMB

Item	Current period		Prior period	
	Increase of 100 basis points	Decrease of 100 basis points	Increase of 100 basis points	Decrease of 100 basis points
Floating borrowing rate				
(Decrease)/increase in net profit	<u>-459,122</u>	<u>459,122</u>	<u>-8,847,399</u>	<u>8,847,399</u>

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

(3) Market risk (continued)

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with its operating activities (settled in foreign currency other than the functional currency).

The Group's operating activities are mainly located in China and most of the transactions are denominated in RMB, except for certain sales, purchases and borrowings which are settled in foreign currency.

The balances of the Group's assets and liabilities of main foreign currency are as follows:

Unit: Yuan Currency: RMB

Item	Closing balance of total assets	Closing balance of total liabilities	Opening balance of total assets	Opening balance of total liabilities
EUR	263,418,993	68,048,051	210,024,094	84,847,951
USD	162,894,402	124,862,820	180,014,488	146,700,897
HKD	134,831,702	—	1,402,494,265	—
GBP	592,388,661	12,299,533	457,618,430	7,363,972
MXN	24,003,680	—	22,054,267	114,736
AUD	23,340,065	114,736	28,709,629	—
CHF	4,667,543	10,489,181	4,581,874	7,671,352
JPY	—	43,993,888	—	50,330,321
Total	<u>1,205,545,046</u>	<u>259,808,209</u>	<u>2,305,497,047</u>	<u>297,029,229</u>

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

(3) Market risk (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity analysis on currency risk, which reflects the impact of reasonably possible changes in the exchange rates of HKD, GBP, EUR, USD, AUD, MXN, CHF and JPY on the Group's net profit, with all other variables held constant.

Unit: Yuan Currency: RMB

Item	Base point at the end of the period Increase/ (decrease)	Effect on profit of current period Increase/ (decrease)	Base point at the beginning of the period Increase/ (decrease)	Effect on profit of current period Increase/ (decrease)
EUR				
If RMB strengthens against EUR	10%	-16,606,530	10%	-10,639,972
If RMB weakens against EUR	-10%	16,606,530	-10%	10,639,972
USD				
If RMB strengthens against USD	10%	-3,232,684	10%	-2,831,655
If RMB weakens against USD	-10%	3,232,684	-10%	2,831,655
HKD				
If RMB strengthens against HKD	10%	-11,460,695	10%	-119,212,013
If RMB weakens against HKD	-10%	11,460,695	-10%	119,212,013
GBP				
If RMB strengthens against GBP	10%	-49,307,576	10%	-38,271,629
If RMB weakens against GBP	-10%	49,307,576	-10%	38,271,629
MXN				
If RMB strengthens against MXN	10%	-2,040,313	10%	-1,864,860
If RMB weakens against MXN	-10%	2,040,313	-10%	1,864,860
AUD				
If RMB strengthens against AUD	10%	-1,974,153	10%	-2,440,318
If RMB weakens against AUD	-10%	1,974,153	-10%	2,440,318
CHF				
If RMB strengthens against CHF	10%	1,288,322	10%	1,041,524
If RMB weakens against CHF	-10%	-1,288,322	-10%	-1,041,524
JPY				
If RMB strengthens against JPY	10%	3,739,480	10%	4,278,077
If RMB weakens against JPY	-10%	-3,739,480	-10%	-4,278,077

Section VIII Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

(3) Market risk (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital for the years ended 31 December 2024 and 31 December 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group's policy is to maintain the gearing ratio no more than 30%. Net debt includes all borrowings, financial liabilities held for trading, bills payable, accounts payable, employee benefits payable, other taxes payable excluding enterprise income tax payable, other payables, long-term borrowings, lease liabilities and long-term payables less cash and cash equivalents. Capital includes equity attributable to shareholders of the parent company.

The gearing ratios as at the balance sheet date are as follows:

Unit: Yuan Currency: RMB

Item	Closing balance
Short-term borrowings	61,216,261
Bills payable	6,662,372,833
Accounts payable	8,955,418,788
Employee benefits payable	461,736,678
Taxes payable (excluding enterprise income tax payable)	108,176,807
Other payables	4,473,163,132
Long-term borrowings (including long-term borrowings due within 1 year)	61,139,990
Lease liabilities (including lease liabilities due within 1 year)	285,555,199
Long-term payables	—
Less: Cash and cash equivalents	5,524,896,400
Net liabilities	15,543,883,288
Equity attributable to shareholders of the Parent Company	40,652,675,072
Capital and net liabilities	56,196,558,360
Gearing ratio	27.66%

Section VIII Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Hedging

(1) The Company conducts hedging business for risk management.

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

(2) The Company conducts eligible hedging operations and applies hedge accounting.

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

(3) The company conducts hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting.

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

Section VIII Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Transfer of financial assets

(1) Classification of transfer methods

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Mode of transfer	Nature of transferred financial assets	Amount of transferred financial assets	Status of derecognition	Basis for judging the status of derecognition
Endorsements	Bankers' acceptances accepted by general commercial banks	39,110,407	Not derecognized	Retains substantially all of the risks and rewards associated with ownership of such endorsed notes receivable, including the associated risk of default.
Endorsements	Commercial acceptances	785,019,148	Not derecognized	Retains substantially all of the risks and rewards associated with ownership of such endorsed notes receivable, including the associated risk of default.
Endorsements	Banker's acceptances accepted by commercial banks with high creditworthiness	299,392,450	Fully derecognized	Fully derecognized The financial assets have been transferred and almost all the risks and rewards of ownership of the financial assets have been transferred to the transferring party.
Discounting	Banker's acceptances accepted by commercial banks with high creditworthiness	1,003,853,787	Fully derecognized	Fully derecognized The financial assets have been transferred and almost all the risks and rewards of ownership of the financial assets have been transferred to the transferring party.
Total	/	<u>2,127,375,792</u>	/	/

Section VIII Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Transfer of financial assets (continued)

(2) Financial assets derecognized due to transfer

Details of financial assets transferred by the Group and derecognized at the balance sheet date are as follows:

Unit: Yuan Currency: RMB

Item	Mode of transfer of financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Bankers' acceptances	Endorsements	299,392,450	—
Bankers' acceptances	Discounting	1,003,853,787	3,042,549
Total	/	1,303,246,237	3,042,549

(3) Transferred financial assets that continue to be involved

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XIII. DISCLOSURE OF FAIR VALUE

1. Closing fair value of assets and liabilities measured at fair value

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing fair value			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
I. Continuous fair value measurement				
(I) Held-for-trading financial assets	-	182,972,219	-	182,972,219
(II) Trade receivables financing	-	3,442,503,952	-	3,442,503,952
(III) Other equity instrument investments	-		266,823,520	266,823,520
Total assets measured at fair value on a recurring basis	-	3,625,476,171	266,823,520	3,892,299,691

2. Basis of determining the market price for recurring and non-recurring fair value measurements categorised within Level 1

☐Applicable ☒Not applicable

3. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 2

☒Applicable ☐Not applicable

Fair value measurement of held-for-trading financial assets is determined based on the method of discounted cash flow analysis. The future cash flows are estimated based on the projected returns and discounted at the discount rate reflecting the counterparty's credit risk. Fair value measurement of held-for-trading financial liabilities is determined based on the method of discounted cash flow analysis. The future cash flows are estimated based on forward rates (derived from observable forward rates at the reporting date) and contractual forward rates. The future cash flows are discounted at the discount rate reflecting the counterparty's credit risk.

Section VIII Financial Report

XIII. DISCLOSURE OF FAIR VALUE (continued)

4. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 3

☒Applicable ☐Not applicable

Fair value measurement of trade receivables financing and other equity instrument investments is determined based on the method of discounted cash flow analysis. Unobservable inputs of trade receivables financing is discount rate. Unobservable inputs of other equity instrument investments include weighted average cost of capital and long-term income growth rate.

5. Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Other equity instrument investments (unlisted equity instrument investments)
31st December 2024	266,823,520
Additions	—
30 June 2025	266,823,520

6. Reasons for transfers between different levels, and the policy about the timing of those transfers for recurring fair value measurements

☐Applicable ☒Not applicable

7. Current changes in valuation techniques and the reasons

☐Applicable ☒Not applicable

8. Fair value of financial assets and financial liabilities that are not measured at fair value

☒Applicable ☐Not applicable

The Group's financial assets and financial liabilities at amortized cost are detailed in Note VII.32. Long-term borrowings and 34 Long-term payables. The fair values of long-term borrowings and long-term payables are determined using the method of discounted cash flow analysis, with market yields on other financial instruments with similar contractual terms, credit risk and remaining maturity as the discount rate. As at 30 June 2025 and 31 December 2024, the carrying amounts of financial assets and financial liabilities at amortized cost in the financial statements approximate their fair values.

9. Others

☐Applicable ☒Not applicable

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Parent of the Company

☒Applicable ☐Not applicable

Unit: RMB0'000 Currency: RMB

Company name	Place of registration	Nature of business	Registered capital	Proportion of shareholding	Proportion of voting rights
CRRC ZELRI	Zhuzhou, Hunan	R&D, manufacturing and sales of rail transportation products and equipment	912,684	44.21%	44.21%

Description of the parent company of the Company

CRRC ZELRI and the companies it holds are collectively referred to as "CRRC ZELRI Group".

The ultimate holding party of the Company is CRRC Corporation Limited.

The ultimate holding party of the Company is CRRC Group, which is an enterprise directly under the central government and directly administered by the State-owned Assets Supervision and Administration Commission of the State Council. The ultimate holding party and the companies it holds are collectively referred to as "the ultimate holding party group".

Other information:

None

2. Particulars of subsidiaries of the Company

For details of the subsidiaries of the Company, please refer to Note.

☒Applicable ☐Not applicable

For details of the subsidiaries of the Company, please refer to Note X. 1.

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Particulars of joint ventures and associates of the Company

Important joint ventures and associates of the Company, please refer to Note

☒Applicable ☐Not applicable

For details of the joint ventures and associates of the Company, please refer to Note X. 3.

Other joint ventures or associated enterprises that have related party transactions with the company in the current period, or that have balance formed from related party transactions with the company in the previous period are as follows:

☐Applicable ☒Not applicable

4. Particulars of other related parties

☒Applicable ☐Not applicable

Name of other related parties	Relationship between other related parties and the Company
Shenyang Westinghouse Brake Technology Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group
Changzhou Langrui Dongyang Transmission Technology Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group
Dalian Toshiba Locomotive Electrical Equipment Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group
Shanghai Shentong Changke Rail Transit Vehicle Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group
CRRZ Shenyang Rail Transit Equipment Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group
CRRZ Shenzhen Railway Vehicles Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group
Changchun Changke Alstom Rolling Stock Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group
Qingdao Sifang Fawerail Rail Brake Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Guangzhou Electric Locomotive Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Taiyuan Yingfeng Rolling Stock Casting Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Ziyang Zhonggong Locomotive Transmission Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Zhuzhou Jiufang Casting Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Guangzhou Junfa Electrical Equipment Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Zhuzhou Electric Vehicle Demonstration Operation Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Tianjin Electric Locomotive Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Nanjing Rail Transit Industry Development Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Qingdao Metro Rail Transit Intelligent Maintenance Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Chengdu Changke Xinzhu Rail Transit Equipment Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Beijing Nankou SikaiLu Railway Bearing Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Datong Hitachi Energy Traction Transformer Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Taiyuan Railway Vehicles Economic and Trade Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Beijing Sifang Tongchuang Rail Transit Equipment Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Beijing Beijufang Rail Transit Technology Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Zhuzhou CRRC Logistics Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Datong Electric Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Logistics Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Nanjing CRRC Logistics Service Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
CRRC Qingdao Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Sifang Rail Equipment Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ningbo Jiangbie Jiufang Horong Electric Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Tianjin Locomotive and Vehicle Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Taiyuan CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Taiyuan Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Jiangsu CRRC Electromechanical Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Motor Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Yongji Motor Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Sifang Vehicle Research Institute Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Luoyang Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Nanjing CRRC Puzhen Haitai Brake Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Hongkong Capital Management Co., Limited	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Information Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Dalian Locomotive Research Institute Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qishuyan Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Mexico Hong Kong Rail Transit Service Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuhan CRRC Zhuji Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Massachusetts Corporation	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Electric Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
CRRC Brake System Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Meishan CRRC Brake Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hunan CRRC Shangqu Electric Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou CRRC Ruiai Equipment Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qishuyan Rolling Stock Technology Research Institute Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chengdu CRRC Motor Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Nanjing CRRC Puzhen Urban Rail Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Locomotive (Europe) Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Meishan CRRC Fastener Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Nanjing Puzhen Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changjiang Tongling Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shenyang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou CRRC Diesel Engine Parts Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Beijing CRRC Saide Railway Electrical Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou CRRC Westinghouse Diesel Engine Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhicheng Culture Technology (Beijing) Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Finance Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Urban Transport Planning and Design Institute Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ziyang CRRC Electric Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Beijing CRRC Testing & Certification Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Jiangsu CRRC Urban Development Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Guangdong Rail Transit Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Foshan CRRC Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wenzhou CRRC Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Chengdu Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Ziyang Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Beijing CRRC Changke Erqi Rail Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changjiang Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changchun CRRC Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Tianjin CRRC Tangche Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Jiangxi CRRC Changchun Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hunan Zhirong Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Urumqi CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Century Huayang Environmental Engineering Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Xi'an CRRC Yongdian Electric Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC International Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chengdu CRRC Railway Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Dalian Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Tangshan Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
CRRC Changchun Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chengdu CRRC Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao Sifang Alstom Railway Transportation Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Tianjin CRRC Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhengzhou CRRC Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Guangzhou CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Xi'an CRRC Yongdian Intelligent Drive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Cangzhou CRRC Zhij Rai Equipment Service Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Tianjin Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Fuzhou Tangche Rail Transit Intelligent Operation and Maintenance Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hangzhou CRRC Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shijiazhuang CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ningbo CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Xi'an CRRC Changchun Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Xi'an Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shentong Rail Transit Vehicle Co., Ltd. (after July 2023)	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Kunming CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shanghai Alstom Transport Co	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chongqing CRRC Changchun Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Hefei CRRC Rail Transit Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Anhui CRRC Puzhen Urban Rail Transit Operation and Maintenance Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Lanzhou Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Dalian Electric Traction R&D Center Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shandong Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC ZELRI Group	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Xi'an CRRC Yongdian Jietong Electric Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Quanzhou CRRC Tangche Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao CRRC Sifang Vehicle Logistics Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changzhou Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Puzhen Alstom Transportation System Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shijiazhuang Guoxiang Transportation Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shandong Wind Power Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shenyang Yongdian Railway Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Nanning CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Kuala Lumpur Maintenance Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shentong Rail Transit Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Jinhua CRRC Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hangzhou CRRC Metro Equipment Maintenance Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ningbo CRRC Zhiwei Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuhan CRRC Electric Traction Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuhan CRRC Changke Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Malaysia Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Ziyang Co., Ltd. in Australia	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Australia CRRC Changchun Passenger Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Luoyang CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC (HONG KONG) CO. LIMITED	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chongqing CRRC Rail Equipment Maintenance Service Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ningbo CRRC New Energy Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wharton Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shanghai CRRC Ruibode Intelligent Systems Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Times Electric Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhuzhou CRRC Tianli Forging Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CSR Investment Management Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou CRRC Training Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Environmental Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Hunan CRRC Environmental Engineering Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC New Infrastructure Investment Development Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ziyang CRRC Electric Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Electric Locomotive Industrial Management Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changsha CRRC Zhiyu New Energy Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhejiang CRRC Tram Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changde CRRC New Energy Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chongqing Hengtong Bus Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Commercial Factoring Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Nanjing Puzhen Industrial Management Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC ZHUZHOU ELECTRIC LOCOMOTIVE RESEARCH INSTITUTE CO., LTD.	CRRC ZELRI
Xiangyang CRRC Motor Technology Co., Ltd	Company controlled by CRRC ZELRI
Wuxi CRRC Times Intelligent Equipment Research Institute Co., Ltd	Company controlled by CRRC ZELRI
Zhuzhou CRRC Electromechanical Technology Co., Ltd	Company controlled by CRRC ZELRI
Zhuzhou Shidai Ruiwei Damping Equipment Co., Ltd	Company controlled by CRRC ZELRI
Hunan Liganli Technology Co., Ltd	Company controlled by CRRC ZELRI
China Railway Inspection and Certification Zhuzhou Traction Electrical Equipment Inspection Station Co., Ltd	Company controlled by CRRC ZELRI
Zhuzhou CRRC Qihong Cooling Technology Co., Ltd	Company controlled by CRRC ZELRI
Hunan CRRC Zhixing Technology Co., Ltd	Company controlled by CRRC ZELRI
Beijing CRRC Heavy Industry Machinery Co., Ltd	Company controlled by CRRC ZELRI
Bogo Rubber&Plastics (Zhuzhou) Co., Ltd	Company controlled by CRRC ZELRI
Zhuzhou Shidai New Material Technology Co., Ltd	Company controlled by CRRC ZELRI
CRRC Shanghai Hange Marine Engineering Co., Ltd	Company controlled by CRRC ZELRI
Qingdao CRRC Times New Energy Materials Technology Co., Ltd	Company controlled by CRRC ZELRI

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Tianjin CRRC Wind Energy Technology Co., Ltd	Company controlled by CRRC ZELRI
BOGE Elastmetall GmbH	Company controlled by CRRC ZELRI
Zhuzhou Shidai Huaxian Material Technology Co., Ltd	Company controlled by CRRC ZELRI
Yibin CRRC Times New Energy Co., Ltd	Company controlled by CRRC ZELRI
Jixi CRRC New Energy Equipment Co., Ltd	Company controlled by CRRC ZELRI
Jiamusi CRRC New Energy Equipment Co., Ltd	Company controlled by CRRC ZELRI
Guangxi CRRC New Energy Equipment Co., Ltd	Company controlled by CRRC ZELRI
CRRC ZELRI Group Fuzhou Financial Investment	Joint venture of CRRC ZELRI
Intelligent Rail Transit Equipment Co., Ltd	
Zhuzhou CRRC Times High tech Investment Co., Ltd	Joint venture of CRRC ZELRI
Hunan Motor Vehicle Testing Technology Co., Ltd	Associate of CRRC ZELRI
Zhouzhou Guochuang Rail Technology Co., Ltd	Associate of CRRC ZELRI
Zhuzhou Jiufang Hotel Co., Ltd	Associate of CRRC ZELRI
Zhangye Yihui New Energy Co., Ltd	Companies controlled by the joint venture of CRRC ZELRI
Qijing Yihui New Energy Co., Ltd	Companies controlled by the joint venture of CRRC ZELRI
Guizhou Shidai Green Equipment Co., Ltd	Companies controlled by the joint venture of CRRC ZELRI
Linfen Yihui Era Times New Energy Co., Ltd.	Companies controlled by the joint venture of CRRC ZELRI
Zhuzhou Yuhuo New Energy Co., Ltd	Companies controlled by the joint venture of CRRC ZELRI
You County Shangyou New Energy Co., Ltd	Companies controlled by the joint venture of CRRC ZELRI

Other information:

None

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties

(1) Purchases and sales of goods, rendering and receipt of services

Purchase of goods/receipt of service

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Related parties	Related party transactions	Current period	Prior period
Joint ventures of the ultimate holding group other than CRRC ZELRI Group	Purchase of goods	439,548	150,443
Associates of the ultimate holding group other than CRRC ZELRI Group	Purchase of goods	1,042,054	2,233,630
Associates of the ultimate holding group other than CRRC ZELRI Group	Receipt of services	2,108,317	1,333,177
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Purchase of goods	366,328,717	354,060,700
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Receipt of services	22,935,348	22,400,259
Joint ventures of the Company	Purchase of goods	37,496,067	94,638,285
Associates of the Company	Purchase of goods	14,791,300	—
Associates of the Company	Receipt of services	4,479,831	—
Companies controlled by CRRC ZELRI	Purchase of goods	336,953,213	310,624,770
Companies controlled by CRRC ZELRI	Receipt of services	5,426,569	3,151,095
CRRC ZELRI	Receipt of services	22,440,613	47,250,000
Joint ventures of CRRC ZELRI	Purchase of goods	8,362,451	30,864,800
Associates of CRRC ZELRI	Receipt of services	64,407	—
Companies controlled by the joint venture of CRRC ZELRI	Purchase of goods	—	82,317,658

Sale of goods/rendering of service

✓Applicable ☐Not applicable

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(1) Purchases and sales of goods, rendering and receipt of services (continued)

Unit: Yuan Currency: RMB

Related parties	Related party transactions	Current period	Prior period
Joint ventures of the ultimate holding group other than CRRC ZELRI Group	Sales of goods	86,208,966	30,069,782
Joint ventures of the ultimate holding group other than CRRC ZELRI Group	Rendering of services	1,526,549	151,924
Associates of the ultimate holding group other than CRRC ZELRI Group	Sales of goods	2,853,489	45,158,264
Associates of the ultimate holding group other than CRRC ZELRI Group	Rendering of services	6,550,000	6,720,000
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Sales of goods	3,375,345,941	3,009,174,808
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Rendering of services	1,109,499,502	829,342,320
Joint ventures of the Company	Sales of goods	57,133,451	39,732,001
Joint ventures of the Company	Rendering of services	1,350,000	900,000
Associates of the Company	Sales of goods	36,212,266	49,528,919
Associates of the Company	Rendering of services	450,000	300,000
Companies controlled by CRRC ZELRI	Sales of goods	32,719,416	22,285,596
Companies controlled by CRRC ZELRI	Rendering of services	931,271	259,921
CRRC ZELRI	Sales of goods	200,027,933	64,990,984
CRRC ZELRI	Rendering of services	213,035	—
Joint ventures of CRRC ZELRI	Rendering of services	—	18,711,000
Joint ventures of CRRC ZELRI	Sales of goods	—	27,694
Companies controlled by the joint venture of CRRC ZELRI	Sales of goods	21,478,073	46,924,630

Descriptions on purchases and sales of goods, rendering and receipt of services

☐Applicable ☒Not applicable

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(2) Related party trusteeship/contracting/outsourcing arrangement

Trusteeship/contracting of the Company:

☐ Applicable ☒ Not applicable

Related party trusteeship/contracting

☐ Applicable ☒ Not applicable

Entrusted management/outsourcing of the Company:

☐ Applicable ☒ Not applicable

Related party management/outsourcing

☐ Applicable ☒ Not applicable

(3) Leases with related parties

The Company as the lessor:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of lessee	Lease income recognised in the current period	Lease income recognised in the prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	872,702	—
Associates of the Company	—	363,126
CRRC ZELRI	2,790,187	—
Companies controlled by CRRC ZELRI	2,365,603	1,182,801
Companies controlled by the joint venture of CRRC ZELRI	4,913,489	850,000

The Company as the lessee:

☒ Applicable ☐ Not applicable

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(3) Leases with related parties (continued)

Unit: Yuan Currency: RMB

Name of lessor	Rent costs for simplified short-term leases and low-value asset leases (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expenses of lease liabilities		Right-of-use assets increased	
	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	648,784	1,543,911	648,784	1,543,911	3,870,334	2,900,636	237,775	181,078	8,801,068	228,964
Joint ventures of the ultimate holding group other than CRRC ZELRI Group	-	-	-	-	-	-	373	-	131,737	-
CRRC ZELRI	147,958	-	147,958	-	459,454	147,899	15,344	10,087	-	-
Companies controlled by CRRC ZELRI	8,571	-	8,571	-	313,516	3,048,535	6,666	191,165	584,478	-

Information on related party leases

☐ Applicable ☒ Not applicable

(4) Guarantee

The Company as the guarantor

☐ Applicable ☒ Not applicable

The Company as the guarantee holder

☐ Applicable ☒ Not applicable

Description of related party guarantee

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(5) Funding from related party

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Related parties	Amount	Start date	Expiry date	Note
Funds received Companies controlled by the ultimate holding party other than CRRC ZELRI Group	57,793,568	2015-9-29	2030-9-28	Annual interest rate 1.08%

(6) Transfer of assets and debt restructuring

☐Applicable ☒Not applicable

(7) Remuneration of key management personnel

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Remuneration of key management personnel	<u>4,786,311</u>	<u>4,230,757</u>

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(8) Other related party transactions

✓Applicable ☐Not applicable

Cash and bank balance

Unit: Yuan Currency: RMB

Related parties	Closing balance	Opening balance
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	<u>58,295,316</u>	<u>1,976,443,020</u>

Other non-current assets (time deposits)

Unit: Yuan Currency: RMB

Related parties	Closing balance	Opening balance
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	<u>1,921,424,658</u>	<u>—</u>

Loan interest income

Unit: Yuan Currency: RMB

Related parties	Current period	Prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	<u>23,215,198</u>	<u>2,422,703</u>

Loan interest expense

Unit: Yuan Currency: RMB

Related parties	Current period	Prior period
Controlling shareholders of CRRC ZELRI	<u>336,946</u>	<u>389,226</u>

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(8) Other related party transactions (continued)

Purchases of energy from related parties

Unit: Yuan Currency: RMB

Name of the entity	Current period	Prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	662,414	768,968
Companies controlled by CRRC ZELRI	150,000	—

Sales of energy to related parties

Unit: Yuan Currency: RMB

Name of the entity	Current period	Prior period
Companies controlled by CRRC ZELRI	—	—
CRRC ZELRI	—	—
Associates of the company	—	—
Total	—	—

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties

(1) Receivables

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Related party	Closing balance	Opening balance
Bills receivable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	2,360,799,491	1,619,034,654
Bills receivable	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	—	38,364,420
Bills receivable	Associates of the ultimate holding group other than CRRC ZELRI Group	—	2,800,000
Accounts receivable (including long-term receivables)	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	158,241,813	123,851,293
Accounts receivable (including long-term receivables)	Associates of the ultimate holding group other than CRRC ZELRI Group	112,707,364	113,122,279
Accounts receivable (including long-term receivables)	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	4,379,313,912	3,697,052,940
Accounts receivable (including long-term receivables)	Joint ventures of the Company	84,390,865	65,162,707
Accounts receivable (including long-term receivables)	Associates of the Company	54,509,908	17,149,457
Accounts receivable (including long-term receivables)	Companies controlled by CRRC ZELRI	93,353,217	61,162,725
Accounts receivable (including long-term receivables)	CRRC ZELRI	186,680,003	41,552,743
Accounts receivable (including long-term receivables)	Joint ventures of CRRC ZELRI	3,262,367	8,582
Accounts receivable (including long-term receivables)	Companies controlled by joint ventures of CRRC ZELRI	97,485,770	99,630,276
Prepayments	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	2,345,110	1,808,084

Section VIII Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

(1) Receivables (continued)

Item	Related party	Closing balance	Opening balance
Prepayments	Associates of the ultimate holding group other than CRRC ZELRI Group	5,163	–
Prepayments	Associates of the Company	1,650,000	–
Prepayments	CRRC ZELRI	1,410	1,410
Prepayments	Companies controlled by CRRC ZELRI	19,281,413	6,379
Prepayments	Companies controlled by joint ventures of CRRC ZELRI	5,198,000	7,871,580
Contract assets	Associates of the ultimate holding group other than CRRC ZELRI Group	1,506,502	1,506,502
Contract assets	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	241,700,235	160,543,528
Contract assets	Companies controlled by CRRC ZELRI	829,604	1,910,798
Contract assets	Associates of the Company	1,639,426	1,639,426
Contract assets	CRRC ZELRI	3,905,741	12,879,300
Other receivables	Associates of the ultimate holding group other than CRRC ZELRI Group	15,000	25,000
Other receivables	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	8,688,714	20,553,714
Other receivables	Associates of the Company	331,796	13,796
Other receivables	Joint ventures of the Company	477,000	–
Other receivables	CRRC ZELRI	4,441,865	1,433,430
Other receivables	Companies controlled by CRRC ZELRI	3,072,926	63,313
Other receivables	Companies controlled by the joint venture of CRRC ZELRI	16,609,573	13,021,500
Trade receivables financing	Associates of the ultimate holding group other than CRRC ZELRI Group	967,776,109	786,334,041

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

(1) Receivables (continued)

Item	Related party	Closing balance	Opening balance
Trade receivables financing	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	39,007,734	124,614,454
Trade receivables financing	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	1,043,719,575	1,390,236,093
Trade receivables financing	Companies controlled by CRRC ZELRI	12,634,958	27,943,428
Trade receivables financing	CRRC ZELRI	33,734,031	253,299,795
Trade receivables financing	Associates of CRRC ZELRI	—	896,521
Trade receivables financing	Associates of the Company	946,904	—
Other non-current assets (excluding time deposits)	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	80,747,134	80,747,134
Other non-current assets (excluding time deposits)	Associates of the ultimate holding group other than CRRC ZELRI Group	18,631,208	18,408,175
Other non-current assets (excluding time deposits)	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	230,726,988	272,393,184
Other non-current assets (excluding time deposits)	Companies controlled by CRRC ZELRI	585,779	390,364
Other non-current assets (excluding time deposits)	CRRC ZELRI	11,582,829	9,000,093
Other non-current assets (excluding time deposits)	Associates of the Company	1,585,839	430,274
Other non-current assets (excluding time deposits)	Joint ventures of the Company	48,443	—

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

(2) Payables

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Related party	Closing balance	Opening balance
Bills payable	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	66,329	347,608
Bills payable	Associates of the ultimate holding group other than CRRC ZELRI Group	822,680	370,189
Bills payable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	36,763,326	28,247,130
Bills payable	Companies controlled by CRRC ZELRI	123,023,178	15,312,416
Bills payable	Associates of CRRC ZELRI	3,535,448	2,287,198
Bills payable	Joint ventures of CRRC ZELRI	458,038	—
Bills payable	CRRC ZELRI	150,000	—
Bills payable	Associates of the Company	32,382,088	4,808,479
Bills payable	Joint ventures of the Company	12,049,137	7,832,315
Accounts payable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	1,236,071,994	434,746,207
Accounts payable	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	822,983	1,182,317
Accounts payable	Associates of the ultimate holding group other than CRRC ZELRI Group	8,696,178	8,600,879

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

(2) Payables (continued)

Item	Related party	Closing balance	Opening balance
Accounts payable	Associates of the Company	16,882,318	54,371,944
Accounts payable	Joint ventures of the Company	71,017,198	70,773,959
Accounts payable	Companies controlled by CRRC ZELRI	323,578,137	365,977,995
Accounts payable	Joint ventures of CRRC ZELRI	22,876,663	35,811,565
Accounts payable	CRRC ZELRI	515,565	9,032,114
Accounts payable	Companies controlled by the joint venture of CRRC ZELRI	84,446,733	57,358,694
Other payables	CRRC ZELRI	2,089,474,121	381,183,018
Other payables	Companies controlled by CRRC ZELRI	17,913,911	7,434,002
Other payables	Associates of the ultimate holding group other than CRRC ZELRI Group	119,841	292,911
Other payables	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	20,000	20,000
Other payables	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	90,497,831	72,651,285
Other payables	Associates of the Company	5,743,319	5,754,096
Other payables	Joint ventures of the Company	925,275	—
Other payables	Joint ventures of CRRC ZELRI	9,237	123,805
Other payables	Associates of CRRC ZELRI	2,542,757	5,191,917
Contract liabilities	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	64,497,518	21,356,657

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

(2) Payables (continued)

Item	Related party	Closing balance	Opening balance
Contract liabilities	CRRZ ZELRI	–	7,256,637
Contract liabilities	Companies controlled by CRRZ ZELRI	8,262,301	3,265,487
Contract liabilities	Associates of CRRZ ZELRI	9,975,190	9,975,190
Contract liabilities	Associates of the Company	380,708	380,708
Contract liabilities	Companies controlled by the joint venture of CRRZ ZELRI	3,362,832	–
Non-current liabilities due within one year	Controlling shareholders of CRRZ ZELRI	4,605,568	9,022,337
Non-current liabilities due within one year	Companies controlled by the ultimate holding party other than CRRZ ZELRI Group	11,099,913	4,231,252
Non-current liabilities due within one year	CRRZ ZELRI	453,006	897,116
Non-current liabilities due within one year	Companies controlled by CRRZ ZELRI	140,337	–
Long-term borrowings	Companies controlled by the ultimate holding party other than CRRZ ZELRI Group	53,188,000	58,688,000
Lease liabilities	Companies controlled by the ultimate holding party other than CRRZ ZELRI Group	624,882	2,491,126
Lease liabilities	Companies controlled by CRRZ ZELRI	137,291	–
Lease liabilities	Associates of the ultimate holding group other than CRRZ ZELRI Group	132,110	–

(3) Others

☐ Applicable ☒ Not applicable

7. Related party commitments

☐ Applicable ☒ Not applicable

8. Others

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XV. SHARE-BASED PAYMENT

1. General introduction of share-based payment

(1) Details

☐ Applicable ☒ Not applicable

(2) *Stock options or other equity instruments issued at the end of the period*

☐ Applicable ☒ Not applicable

2. Information about equity-settled share-based payment

☐ Applicable ☒ Not applicable

3. Information about cash-settled share-based payment

☐ Applicable ☒ Not applicable

4. Share-based payment expense for the current period

☐ Applicable ☒ Not applicable

5. Modification and cancelation of share-based payment

☐ Applicable ☒ Not applicable

6. Others

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XVI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

☒Applicable ☐Not applicable

Important external commitments, nature and amount existing on the balance sheet date

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Contracted but not recognised in the financial statements		
– Capital commitments	3,016,495,684	3,044,802,014
– Investments in associates/joint ventures	144,252,400	144,252,400
– Investments in other equity instruments	–	–
Total	3,160,748,084	3,189,054,414

2. Contingencies

(1) Significant contingencies existing as of balance sheet date

☐Applicable ☒Not applicable

(2) Please make a statement if the Company has no significant contingencies to disclose:

☐Applicable ☒Not applicable

3. Other information

☐Applicable ☒Not applicable

Section VIII Financial Report

XVII. EVENTS AFTER THE BALANCE SHEET DATE

1. Material non-adjusting events

☐Applicable ☒Not applicable

2. Profit distribution

☒Applicable ☐Not applicable

Subsequent to the balance sheet date, the details of profit appropriations are set out in Note 43 Retained earnings.

3. Sales returns

☐Applicable ☒Not applicable

4. Description of other events after the balance sheet date

☐Applicable ☒Not applicable

XVIII. OTHER SIGNIFICANT EVENTS

1. Corrections of prior period accounting errors

(1) Retrospective restatement method

☐Applicable ☒Not applicable

(2) Prospective application method

☐Applicable ☒Not applicable

2. Significant Debt restructuring

☐Applicable ☒Not applicable

Section VIII Financial Report

XVIII. OTHER SIGNIFICANT EVENTS (continued)

3. Exchange of assets

(1) Exchange of non-monetary assets

☐ Applicable ☒ Not applicable

(2) Exchange of other assets

☐ Applicable ☒ Not applicable

4. Annuity plan

☐ Applicable ☒ Not applicable

5. Discontinued operations

☐ Applicable ☒ Not applicable

6. Segment reporting

(1) Basis and accounting policies for determination of reporting segments

☒ Applicable ☐ Not applicable

Based on the requirements of the Group's internal organisation structure, management requirement and internal reporting system, the Group's operating activities are classified in to one separate operating segment, mainly supplying the market with rail transit equipment and extended products and services, therefore the Group has no other operating segment.

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XVIII. OTHER SIGNIFICANT EVENTS (continued)

6. Segment reporting (continued)

(2) Financial information of reporting segments

✓Applicable ☐Not applicable

Geographical information:

Revenue from external customers categorised by source of income and non-current assets categorised by location of assets are as follows:

Revenue from external customers

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Chinese Mainland	11,456,856,340	9,761,917,736
Other countries and regions	757,115,262	593,721,457
Total	12,213,971,602	10,355,639,193

Total non-current assets

Unit: Yuan Currency: RMB

Countries or regions	Closing balance	Opening balance
Chinese Mainland	15,376,237,806	14,511,640,260
Other countries and regions	607,536,936	555,314,263
Total	15,983,774,742	15,066,954,523

Non-current assets are analysed by geographic locations where the assets are located, excluding financial assets and deferred tax assets.

Section VIII Financial Report

XVIII. OTHER SIGNIFICANT EVENTS (continued)

6. Segment reporting (continued)

(2) Financial information of reporting segments (continued)

Information of major customers

The Group's revenue from its major customer, CRRC Group (including subordinates and subsidiaries of CRRC Group, hereinafter referred to as "CRRC Group"), which accounted for a significant proportion of the Group's total revenue, is set out as follows:

Unit: Yuan Currency: RMB

Customer	Current period		Prior period	
	Amount	Proportion to total revenue (%)	Amount	Proportion to total revenue (%)
CRRC Group	<u>4,724,765,590</u>	<u>38.68</u>	<u>3,927,236,430</u>	<u>38.19</u>

(3) If there is no reporting segment, or if the total assets and total liabilities of each reportable segment cannot be disclosed, the reasons should be stated.

☐ Applicable ☒ Not applicable

(4) Other information

☐ Applicable ☒ Not applicable

7. Other significant events that have impacts on investors' decisions

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XVIII. OTHER SIGNIFICANT EVENTS (continued)

8. Other information

✓Applicable ☐Not applicable

(1) Net current assets and total assets less current liabilities

Unit: Yuan Currency: RMB

Item	30 June 2025		31 December 2024	
	The Group	The Company	The Group	The Company
Net current assets	19,159,258,743	11,966,187,698	27,836,493,602	20,033,819,242
Total assets less current liabilities	<u>45,563,997,412</u>	<u>37,837,755,631</u>	<u>46,072,724,105</u>	<u>38,860,511,528</u>

(2) Payment of pension plan

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payment of pension plan (Note)	<u>178,463,751</u>	<u>165,921,907</u>

As at 30 June 2025 and 31 December 2024, the Group had no contributions that are forced to give up to reduce contributions to pension plans in future years.

Note: Employees of the Company and its subsidiaries operating in China must participate in the fixed contribution central pension plan managed by the local government, and employees of overseas subsidiaries must participate in similar pension plans recognised by relevant jurisdictions. The Group shall calculate and pay contributions to the central pension plan (in the case of the Company and its subsidiaries operating in China) and similar pension plans recognised in relevant jurisdictions (in the case of its subsidiaries operating outside China) according to certain percentage of its costs of employee benefits. Contributions are deducted from the consolidated income statement when they become payable according to the rules of such plans.

Section VIII Financial Report

XVIII. OTHER SIGNIFICANT EVENTS (continued)

8. Other information (continued)

Calculation process for basic and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is computed by dividing net income for the period attributable to the Company's common shareholders by the weighted average number of common shares outstanding calculation.

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Net income for the year attributable to common shareholders	1,671,501,854	1,480,145,282
Number of ordinary shares issued and outstanding during the period	1,381,777,412	1,412,322,912
Basic earnings per share (RMB per share)	1.21	1.05

(2) Diluted earnings per share

The Company had no potential ordinary shares or dilutive securities during the reporting period, and therefore diluted earnings per share was equal to basic earnings per share.

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Disclosed by ageing

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 6 months	7,563,978,613	6,536,082,691
6 months to 1 year	1,357,077,376	797,368,685
Sub-total within 1 year	8,921,055,989	7,333,451,376
1 to 2 years	828,432,323	1,121,162,448
2 to 3 years	520,845,280	394,535,520
Over 3 years	290,892,403	265,329,926
Total	10,561,225,995	9,114,479,270
Less: Provision for credit loss	621,265,105	551,192,273
Book value	9,939,960,890	8,563,286,997

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance		Carrying amount	Gross carrying amount		Credit loss allowance		
	Proportion	Proportion of provision	Proportion	Proportion of provision						
						Amount	Amount	Amount	Amount	
Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	
Provision on individual basis	33,125,968	0.31	33,125,968	100.00	–	21,650,233	0.24	21,650,233	100.00	–
Provision on portfolio basis	10,528,100,027	99.69	588,139,137	5.59	9,939,960,890	9,092,829,037	99.76	529,542,040	5.82	8,563,286,997
Including:										
Receivables from central state-owned enterprises other than China Railway Corporation	7,984,029,238	75.60	110,620,805	1.39	7,867,846,092	6,859,515,550	75.26	82,854,952	1.21	6,776,660,598
Accounts receivable from local government or local state-owned enterprise	2,050,168,356	19.41	446,243,092	21.77	1,609,487,605	1,818,591,344	19.95	412,312,763	22.67	1,406,278,581
Receivables from China Railway Corporation	223,772,745	2.12	122,419	0.05	223,650,326	103,453,814	1.14	54,897	0.05	103,398,917
Receivables from other customers	270,129,688	2.56	31,152,821	11.53	238,976,867	311,268,329	3.41	34,319,428	11.03	276,948,901
Total	10,561,225,995	100.00	621,265,105	/	9,939,960,890	9,114,479,270	100.00	551,192,273	/	8,563,286,997

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Provision on individual basis

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance		Reason for provision
		Credit loss allowance	Proportion of provision (%)	
Customer 124285	16,035,328	16,035,328	100.00	Low probability of recovery
Others	17,090,640	17,090,640	100.00	Low probability of recovery
Total	<u>33,125,968</u>	<u>33,125,968</u>	<u>100.00</u>	/

Description of provision on individual basis:

☐Applicable ☒Not applicable

Provision on portfolio basis:

☒Applicable ☐Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Item: Receivables from central state-owned enterprises other than China Railway Corporation

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	6,515,867,964	55,887,988	0.86
6 months to 1 year	900,324,084	8,847,222	0.98
1 to 2 years	377,713,348	12,605,830	3.34
2 to 3 years	145,805,182	10,726,430	7.36
Over 3 years	44,318,660	22,553,335	50.89
Total	7,984,029,238	110,620,805	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	5,671,018,625	47,743,110	0.84
6 months to 1 year	547,014,942	6,443,235	1.18
1-2 years	523,268,454	11,705,191	2.24
2-3 years	73,401,966	4,444,963	6.06
Over 3 years	44,811,563	12,518,453	27.94
Total	6,859,515,550	82,854,952	

Analysis of accounts receivable for which credit loss allowance is provided on portfolio basis:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Item: Accounts receivable from local government or local state-owned enterprise

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	686,022,854	85,934,758	12.53
6 months to 1 year	400,117,480	58,315,877	14.57
1 to 2 years	423,351,591	96,386,390	22.77
2 to 3 years	323,043,729	100,327,270	31.06
Over 3 years	217,632,702	105,278,797	48.37
Total	2,050,168,356	446,243,092	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	585,992,511	73,494,098	12.54
6 months to 1 year	215,125,550	31,353,879	14.57
1-2 years	548,358,937	124,847,383	22.77
2-3 years	255,891,709	79,471,954	31.06
Over 3 years	213,222,637	103,145,449	48.37
Total	1,818,591,344	412,312,763	

Analysis of accounts receivable for which credit loss allowance is provided on portfolio basis:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Item: Receivables from China Railway Corporation

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	199,363,106	107,312	0.05
6 months to 1 year	23,452,485	11,877	0.05
1 to 2 years	957,154	3,230	0.34
2 to 3 years	—	—	—
Over 3 years	—	—	—
Total	223,772,745	122,419	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	77,981,371	41,975	0.05
6 months to 1 year	25,464,705	12,896	0.05
1-2 years	7,738	26	0.34
2-3 years	—	—	—
Over 3 years	—	—	—
Total	103,453,814	54,897	

Analysis of accounts receivable for which credit loss allowance is provided on portfolio basis:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Item: Receivables from other customers

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	162,275,617	10,579,270	6.52
6 months to 1 year	33,183,327	2,755,562	8.30
1 to 2 years	25,462,079	3,877,832	15.23
2 to 3 years	27,316,502	5,781,563	21.17
Over 3 years	21,892,163	8,158,594	37.27
Total	270,129,688	31,152,821	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	201,090,183	14,472,295	7.20
6 months to 1 year	9,763,488	924,901	9.47
1-2 years	48,975,012	7,409,303	15.13
2-3 years	48,621,517	10,316,218	21.22
Over 3 years	2,818,129	1,196,711	42.46
Total	311,268,329	34,319,428	

Analysis of accounts receivable for which credit loss allowance is provided on portfolio basis:

☐ Applicable ☒ Not applicable

Provisions for bad and doubtful debts based on the general model of ECL

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Basis of stage classification and percentage of provision for bad and doubtful debts

Loss allowances for accounts receivable are measured at an amount equal to lifetime ECLs.

Descriptions on significant movements in the carrying amount of accounts receivable which have seen:

☐ Applicable ☒ Not applicable

(3) Credit loss allowance of accounts receivable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change amount in the current period				Closing balance
		Provision	Transferred to credit-impaired losses	Recoveries or reversal	Transfers out or written-off	
Lifetime ECL (not credit-impaired)	174,486,389	108,511,857	-60,558,380	-	-	222,439,866
Lifetime ECL (credit-impaired)	376,705,884	-38,439,025	60,558,380	-	-	398,825,239
Total	551,192,273	70,072,832	-	-	-	621,265,105

Significant recoveries or reversals during the current period:

☐ Applicable ☒ Not applicable

Other information

None

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(4) Accounts receivable that are actually written-off are as follows

☐ Applicable ☒ Not applicable

Significant accounts receivable write-offs

☐ Applicable ☒ Not applicable

Description of accounts receivable write-offs:

☐ Applicable ☒ Not applicable

(5) Top five accounts receivable and contract assets at the end of the year categorised by debtor

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total accounts receivable and contract assets (%)	Closing balance of provision for credit loss
Customer 100507	2,147,442,042	16,380,579	2,163,822,621	18.31	21,158,663
Customer 93000	1,739,040,618	–	1,739,040,618	14.72	–
Customer 103233	336,545,672	124,656,358	461,202,030	3.90	3,144,313
Customer 99083	457,855,250	–	457,855,250	3.87	–
Customer 100511	350,822,575	1,085,529	351,908,104	2.98	4,142,243
Total	5,031,706,157	142,122,466	5,173,828,623	43.78	28,445,219

The closing balance of contract assets includes the contracts assets presented in Other Non-current Assets

Other information

None

Other information:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables

Details of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	—	—
Dividends receivable	46,345,000	—
Other receivables	2,305,322,580	882,837,150
Total	2,351,667,580	882,837,150

Other information:

☐Applicable ☒Not applicable

Interest receivable

(1) Classification of interest receivable

☐Applicable ☒Not applicable

(2) Significant overdue interest

☐Applicable ☒Not applicable

(3) Disclosure by bad debt accrual method

☐Applicable ☒Not applicable

Provision for bad debts made on an individual basis:

☐Applicable ☒Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Interest receivable (continued)

(3) Disclosure by bad debt accrual method (continued)

Description of bad debt provisioning by individual item:

☐Applicable ☒Not applicable

Provision for bad debts by portfolio:

☐Applicable ☒Not applicable

Provision for bad debts by general model of expected credit losses

☐Applicable ☒Not applicable

(4) Provision for bad debts

☐Applicable ☒Not applicable

Significant amount of bad debt provision recovered or reversed during the period:

☐Applicable ☒Not applicable

Other information:

None

(5) Actual interest receivable written off during the period

☐Applicable ☒Not applicable

Significant write-offs of interest receivable

☐Applicable ☒Not applicable

Description of interest receivable write-offs:

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Dividends receivable

(1) Dividends receivable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Customer 99062	45,000	—
Customer 99099	19,500,000	—
Customer 99001	26,800,000	—
Total	46,345,000	—

(2) Significant dividends receivable with ageing over 1 year

☐Applicable ☒Not applicable

(3) Disclosure by bad debt accrual method

☐Applicable ☒Not applicable

Provision for bad debts made on an individual basis:

☐Applicable ☒Not applicable

Description of bad debt provisioning by individual item:

☐Applicable ☒Not applicable

Provision for bad debts by portfolio:

☐Applicable ☒Not applicable

Provision for bad debts by general model of expected credit losses

☐Applicable ☒Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Dividends receivable (continued)

(4) Provision for bad debts

☐Applicable ☒Not applicable

Significant amount of bad debt provision recovered or reversed during the period:

☐Applicable ☒Not applicable

Other information:

None

(5) Actual dividends receivable written off during the period

☐Applicable ☒Not applicable

Significant write-offs of dividends receivable

☐Applicable ☒Not applicable

Description of dividends receivable write-offs:

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables

(1) Other receivables disclosed by ageing

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 6 months	1,544,814,401	251,561,883
6 months to 1 year	145,846,359	99,677,782
Subtotal within 1 year	1,690,660,760	351,239,665
1-2 years	401,775,150	461,950,343
2-3 years	164,227,631	9,719,184
Over 3 years	64,145,828	71,268,966
Less: provision for credit loss	15,486,789	11,341,008
Total	2,305,322,580	882,837,150

(2) Classification of other receivables by nature

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Amounts due from subsidiaries	2,137,650,960	713,891,011
Deposits and guarantees	44,123,145	70,388,970
Subscribed capital receivable	—	50,000,000
Others	139,035,264	59,898,177
Total	2,320,809,369	894,178,158

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables (continued)

(3) Provision for credit loss of other receivables is as follows

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Credit loss allowance	Phase 1 12-month ECL	Phase 2 Lifetime ECL (not credit-impaired)	Phase 3 Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2025	11,341,008	—	—	11,341,008
– Transfer to stage 2	—	—	—	—
– Transfer to stage 3	—	—	—	—
– Reverse to stage 2	—	—	—	—
– Reverse to stage 1	—	—	—	—
Additions during the period	6,128,914	—	—	6,128,914
Transfer out during the period	-1,983,133	—	—	-1,983,133
Reversals during the period	—	—	—	—
Written-off during the period	—	—	—	—
Other changes	—	—	—	—
Balance at 30 June 2025	<u>15,486,789</u>	<u>—</u>	<u>—</u>	<u>15,486,789</u>

Basis of stage classification and percentage of provision for bad debts

As at 30 June 2025, the Group had no other receivables that were at the phase 2 and phase 3.

Disclose significant movements in the gross carrying amounts of other receivables which have seen changes in provisions during the year:

☐Applicable ☒Not applicable

Disclose the amount of the provision for the period and the basis for determining whether financial instruments credit risk has significantly increased:

☐Applicable ☒Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables (continued)

(4) Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change amount in the current period				Closing balance
		Provision	Recoveries or reversal	Transfers out or written-off	Other changes	
Bad debt provision for other receivables	11,341,008	6,128,914	-1,983,133	-	-	15,486,789
Total	11,341,008	6,128,914	-1,983,133	-	-	15,486,789

Significant recoveries or reversals during the period:

☐ Applicable ☒ Not applicable

Other information

None

(5) Other receivables actually written off in the current period

☐ Applicable ☒ Not applicable

Significant write-offs of other receivable:

☐ Applicable ☒ Not applicable

Description of other receivables written off:

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables (continued)

(6) Top five other receivables categorised by debtors

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing gross carrying value	Proportion to total closing balance of other receivables (%)	Nature	Ageing	Closing balance of provision for credit loss
Customer 99231	1,101,045,789	47.44	Others	Within 1 year	–
Customer 202021	391,414,099	16.87	Others	Within 1 year, 1 to 2 years, 2 to 3 years and over 3 years	–
Customer 99001	158,363,200	6.82	Others	Within 1 year, 1 to 2 years, and 2 to 3 years	–
Customer 99013	156,249,816	6.73	Others	Within 1 year and 1 to 2 years,	–
Customer 99099	74,524,129	3.21	Others	Within 1 year and 1 to 2 years,	–
Total	1,881,597,033	81.07	/	/	–

(7) Presented in other receivables due to centralized management of funds

☐Applicable ✓Not applicable

Other information:

☐Applicable ✓Not applicable

3. Long-term equity investments

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance Provision for impairment	Book value	Gross carrying amount	Opening balance Provision for impairment	Book value
Investments in subsidiaries	11,509,730,124	450,771,551	11,058,958,573	11,485,150,062	450,771,551	11,034,378,511
Investments in joint ventures and associates	307,630,393	–	307,630,393	307,456,129	–	307,456,129
Total	11,817,360,517	450,771,551	11,366,588,966	11,792,606,191	450,771,551	11,341,834,640

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments (continued)

(1) Investments in subsidiaries

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase	Decrease	Closing balance	Provision for impairment for the period	Closing balance of impairment provision
HK CRRC Times Electric	731,009,400	-	-	731,009,400	-	-450,771,551
Times Australia	1,814,037	-	-	1,814,037	-	-
Canada Dynex	282,478,220	-	-	282,478,220	-	-
Times USA	3,187,516	-	-	3,187,516	-	-
Baoji CRRC Times	1,108,727,100	-	-	1,108,727,100	-	-
Chengdu CRRC Electric	30,000,000	-	-	30,000,000	-	-
Guangzhou CRRC Electric	18,000,000	-	-	18,000,000	-	-
CRRC National Centre of Converters	898,254,981	-	-	898,254,981	-	-
Hangzhou CRRC Electric	33,000,000	-	-	33,000,000	-	-
Hunan CRRC Signal	549,000,000	-	-	549,000,000	-	-
Kunming CRRC Electric	55,000,000	-	-	55,000,000	-	-
Lanzhou CRRC Times	25,500,000	-	-	25,500,000	-	-
Ningbo CRRC Times	281,467,255	-	-	281,467,255	-	-
Ningbo CRRC Electric	110,000,000	-	-	110,000,000	-	-
Qingdao CRRC Electric	45,000,000	-	-	45,000,000	-	-
Shanghai CRRC SMD	720,000,000	-	-	720,000,000	-	-
Shanghai CRRC Rail Transit	25,500,000	-	-	25,500,000	-	-
Shenyang CRRC Times	56,000,000	-	-	56,000,000	-	-
CRRC Times Software	50,000,000	-	-	50,000,000	-	-
CRRC Times Electronics	182,977,618	-	-	182,977,618	-	-
CRRC Times Semiconductor	5,168,374,540	-	-	5,168,374,540	-	-
Chongqing CRRC Electric	90,000,000	-	-	90,000,000	-	-
FAW CRRC Electric Drive System Co., Ltd.	150,000,000	-	-	150,000,000	-	-
Hunan CRRC Electric Drive	832,974,944	-	-	832,974,944	-	-
CRRC Commercial Vehicle Power	36,884,451	-	-	36,884,451	-	-
CRRC Era Electric Drive Technology Co., Ltd. in Indonesia	-	24,580,062	-	24,580,062	-	-
Total	11,485,150,062	24,580,062	-	11,509,730,124	-	-450,771,551

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments (continued)

(2) Investments in joint ventures and associates

✓Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of investee	Opening balance	Investment income or loss recognised under equity method	Changes for the period			Closing balance	Closing balance of impairment provision
			Other equity changes	Cash dividend or profits declared	Provision for impairment		
I. Joint ventures							
Shiling	112,053,943	-2,360,339	-	-	-	109,693,604	-
LANP Electrical	4,910,899	-2,222,640	-	-	-	2,688,259	-
Shanghai shenzhong	8,846,894	7,065,339	-	-200,000	-	15,712,233	-
Zhengzhou Times	17,523,341	484,838	-	-	-	18,008,179	-
Sub-total	143,335,077	2,967,198	-	-200,000	-	146,102,275	-
II. Associates							
Zhuzhou Siemens	46,993,480	-107,158	-	-	-	46,886,322	-
Guoxin Technology	51,657,931	-131,754	-	-	-	51,526,177	-
Times Wabtec	18,491,464	-723,550	-	-	-	17,767,914	-
CRRC India	12,046,795	24,451	-	-	-	12,071,246	-
Wuxi Times	26,737,111	-1,621,755	-	-	-	25,115,356	-
Foshan Zhongshi	8,194,271	6,832	-	-40,000	-	8,161,103	-
Sub-total	164,121,052	-2,552,934	-	-40,000	-	161,528,118	-
Total	307,456,129	414,264	-	-240,000	-	307,630,393	-

(3) Impairment testing of long-term equity investment

□Applicable ✓Not applicable

Other information

✓Applicable □Not applicable

None

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. Revenue and cost of sales

(1) Details of revenue and cost of sales

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period Revenue	Cost of sales	Prior period Income	Cost of sales
Principal operating activities	6,167,945,186	4,283,546,790	6,083,038,235	4,472,030,369
Other operating activities	188,181,889	176,943,569	179,082,970	168,388,042
Total	6,356,127,075	4,460,490,359	6,262,121,205	4,640,418,411

(2) Details of revenue and cost of sales from contracts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Contract classification	Current period	Prior period
By geographic areas of sales		
Chinese Mainland	6,273,880,540	6,189,204,010
Other countries and regions	82,246,535	72,917,195
Total	6,356,127,075	6,262,121,205

Other information

☐ Applicable ☒ Not applicable

(3) Description of performance obligations

☒ Applicable ☐ Not applicable

Sales of goods and materials

The Company mainly sells rail transit equipment and components, which are mainly delivered using land transportation. The Company recognises revenue upon receipts and acceptance of the goods by the customer.

Advances from customer before delivery of rail transit equipment and components are recognised as contract liabilities in the financial statements. There is no significant financing component and right of return during the course of sales of rail transit equipment and components.

Section VIII Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. Revenue and cost of sales (continued)

(3) Description of performance obligations (continued)

Revenue from maintenance service

The Company mainly repairs and maintains rail transit equipment and components, and the Company is entitled to collect the payment upon acceptance by the customer.

(4) Descriptions of allocated remaining performance obligations

☐ Applicable ☒ Not applicable

(5) Significant changes in contracts or significant adjustments to transaction prices

☐ Applicable ☒ Not applicable

Other information:

None

5. Investment income

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Gains from long-term equity investments under cost method	352,145,000	8,985,000
Gains from long-term equity investments under the equity method	414,265	2,140,664
Gains on disposal of held-for-trading financial assets	-3,643,306	26,111,608
Others	-267,321	-376,826
Total	348,648,638	36,860,446

Other information:

None

6. Others

☐ Applicable ☒ Not applicable

Section VIII Financial Report

XX. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss for the current period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Note
Profit or loss on disposal of non-current assets (including the part of assets impairment provision already made and written off)	-682,457	/
Government grants recognized in profit or loss (other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard)	83,567,707	/
Profit or loss on changes in the fair value of held-for-trading financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income on disposal of held-for-trading financial assets, held-for-trading financial liabilities and derivative financial instruments, other than those used in the effective hedging activities relating to normal operating business	4,672,057	/
Reversal of provision for accounts receivable that are tested for impairment losses individually	10,823,292	/
Other non-operating income or expenses other than the above	12,629,451	/
Less: Tax effect of non-recurring profit or loss	16,633,836	/
Effects of non-recurring profit or loss attributable to minority interests	10,787,806	/
Total	83,588,408	/

Reason for defining items as non-recurring gain or loss items according to Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Gain or Loss, and reasons for defining non-recurring gain or loss items illustrated in Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 – Non-recurring Gain or Loss as recurring gain or loss items should be specified.

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

Section VIII Financial Report

XX. SUPPLEMENTARY INFORMATION (continued)

2. Return on net assets and earnings per share

☒Applicable ☐Not applicable

Profit for the reporting period	Weighted average return on net assets (%)	EPS Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	4.14	1.21	1.21
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	3.94	1.15	1.15

3. Differences between accounting information expressed under domestic and overseas accounting policies

☐Applicable ☒Not applicable

4. Others

☐Applicable ☒Not applicable

Chairman of the Board: Li Donglin

Reporting date approved by the Board of Directors: 22 August 2025

Modification Information

☐Applicable ☒Not applicable