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京 投 軌 道 交 通 科 技 控 股 有 限 公 司

BII Railway Transportation Technology Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1522)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “Board”) of directors (the “Directors”) of BII Railway Transportation Technology Holdings Company Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 (“FY2025”, the “Period”) prepared in accordance with the IFRS Accounting Standards, together with the comparative figures for the year ended 31 December 2024 (“FY2024”).

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the year ended 31 December 2025 (Expressed in Hong Kong dollars)*

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	1,775,748	1,656,773
Cost of sales		<u>(1,182,210)</u>	<u>(1,037,086)</u>
Gross profit		593,538	619,687
Other income and other gains/losses		19,183	21,790
Selling, general and administrative expenses		(266,438)	(266,556)
Impairment loss on trade, bills and other receivables and contract assets, net		(11,368)	(13,447)
Research and development expenses		<u>(166,703)</u>	<u>(159,599)</u>
Profit from operations		168,212	201,875
Finance costs	4(a)	(12,333)	(9,884)
Share of results of joint ventures and associates		23,939	21,888
Fair value changes in other financial assets measured at fair value through profit or loss (“FVTPL”)		<u>(9,253)</u>	<u>(7,597)</u>
Profit before taxation	4	170,565	206,282
Income tax	5	<u>(26,301)</u>	<u>(26,775)</u>
Profit for the year		<u>144,264</u>	<u>179,507</u>
Attributable to:			
Equity shareholders of the Company		133,974	167,604
Non-controlling interests		<u>10,290</u>	<u>11,903</u>
Profit for the year		<u>144,264</u>	<u>179,507</u>
Earnings per share			
Basic and diluted (HK\$)	6	<u>0.064</u>	<u>0.080</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year	<u>144,264</u>	<u>179,507</u>
Other comprehensive (expense)/income for the year, net of tax:		
Item that will not be reclassified to profit or loss:		
Other financial assets designated at fair value through other comprehensive income (“FVTOCI”)		
Change in fair value	(8,740)	6,578
Tax effect	<u>1,311</u>	<u>(987)</u>
	(7,429)	5,591
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<u>83,665</u>	<u>(65,853)</u>
Other comprehensive income/(expense) for the year	<u>76,236</u>	<u>(60,262)</u>
Total comprehensive income for the year	<u>220,500</u>	<u>119,245</u>
Attributable to:		
Equity shareholders of the Company	204,822	119,606
Non-controlling interests	<u>15,678</u>	<u>(361)</u>
Total comprehensive income for the year	<u>220,500</u>	<u>119,245</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025 (Expressed in Hong Kong dollars)

		2025	2024
	Note	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		252,311	258,100
Intangible assets		172,984	181,559
Goodwill		557,687	543,944
Interests in joint ventures and associates		298,985	385,430
Other financial assets		226,058	197,387
Deferred tax assets		35,801	33,536
		<u>1,543,826</u>	<u>1,599,956</u>
Current assets			
Inventories		493,554	451,136
Contract assets	7(a)	1,017,498	735,056
Trade and other receivables	8	1,202,219	1,285,764
Bank deposit and cash		820,638	761,204
		<u>3,533,909</u>	<u>3,233,160</u>
Current liabilities			
Trade and other payables	9	1,523,518	1,356,920
Contract liabilities	7(b)	25,643	38,604
Bank borrowings		116,251	101,507
Other borrowings		28,832	28,262
Lease liabilities		17,731	18,287
Current taxation		30,694	27,043
Provision for warranties		5,427	5,165
		<u>1,748,096</u>	<u>1,575,788</u>
Net current assets		<u>1,785,813</u>	<u>1,657,372</u>
Total assets less current liabilities		<u>3,329,639</u>	<u>3,257,328</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2025 (Expressed in Hong Kong dollars)*

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Other borrowings		165,000	255,000
Lease liabilities		18,673	20,243
Contingent considerations		–	1,955
Deferred tax liabilities		31,935	33,690
Deferred income		2,558	1,296
Provision for warranties		4,313	4,201
		<u>222,479</u>	<u>316,385</u>
NET ASSETS		<u>3,107,160</u>	<u>2,940,943</u>
CAPITAL AND RESERVES	<i>10</i>		
Share capital		20,971	20,971
Reserves		2,909,120	2,754,630
Total equity attributable to equity shareholders of the Company		2,930,091	2,775,601
Non-controlling interests		177,069	165,342
TOTAL EQUITY		<u>3,107,160</u>	<u>2,940,943</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 GENERAL INFORMATION

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

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

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

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

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

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint ventures and associates.

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

- investments in equity securities; and
- contingent considerations.

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

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

(c) **Changes in accounting policies**

The Group has applied the amendments to IAS 21, the effects of changes in foreign exchange rates – Lack of exchangeability issued by the IASB to these consolidated financial statements for the current accounting period. The amendments do not have a material impact on these consolidated financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new or revised standards or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) **Revenue**

The principal activities of the Group are (i) provision of hardware and software products and services of passenger information system of high-speed railways, intercity railways, suburban railways and metro system; (ii) provision of professional integration service and intelligent hardware and software products and services of metro transportation, including cloud and big data service; (iii) provision of one-stop intelligent infrastructure services for domestic and international clients; and (iv) investments in railway transportation and infrastructure areas through investing in equity.

(i) *Disaggregation of revenue*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of IFRS 15 (re-presented) (see note 3(b))		
Disaggregated by major service lines		
– Revenue from intelligent passenger information services	765,707	734,436
– Revenue from digital-intelligence urban rail services	688,563	515,589
– Revenue from innovative development	321,478	406,748
	<u>1,775,748</u>	<u>1,656,773</u>

For the year ended 31 December 2025, revenue from transactions with two customers arose from intelligent passenger information services segment and digital-intelligence urban rail services segment (2024: one customer arose from intelligent passenger information services segment) have exceeded 10% of the Group's revenue:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	223,261	176,619
Customer B	<u>189,231</u>	<u>N/A</u> ^(Note)

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

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

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately HK\$3,144,669,000 (2024: HK\$3,226,263,000). This amount represents revenue expected to be recognised in the future from intelligent passenger information services contracts, digital-intelligence urban rail services contracts and innovative development contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 1 to 36 months (2024: next 1 to 48 months).

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

(b) **Segment reporting**

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

Starting from the current year, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments as the Group's most senior executive management consider that the revised reportable segments provide a better summary to them in reviewing the Group's operating performance and making decisions in resource allocation. Accordingly, the comparative figures of the reportable segments have been re-presented to conform with the current period's presentation. The Group now presents the following four reportable segments:

- Intelligent passenger information services: this segment mainly provides hardware and software products and services of passenger information system of high-speed railways, intercity railways, suburban railways and metro system.
- Digital-intelligence urban rail services: this segment mainly provides professional integration service and intelligent hardware and software products and services of metro transportation, including cloud and big data service.
- Innovative development: this segment mainly provides one-stop intelligent infrastructure services for domestic and international clients.
- Business development investment: this segment manages the equity investments in railway transportation and infrastructure areas.

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

(i) **Segment results**

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

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

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

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	2025				
	Intelligent passenger information services <i>HK\$'000</i>	Digital- intelligence urban rail services <i>HK\$'000</i>	Innovative development <i>HK\$'000</i>	Business development investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition					
Point in time	697,006	584,334	83,725	–	1,365,065
Over time	68,701	104,229	237,753	–	410,683
Revenue from external customers	765,707	688,563	321,478	–	1,775,748
Inter-segment revenue	19,633	2,284	888	–	22,805
Reportable segment revenue	<u>785,340</u>	<u>690,847</u>	<u>322,366</u>	<u>–</u>	<u>1,798,553</u>
Reportable segment profit	<u>322,771</u>	<u>127,420</u>	<u>143,347</u>	<u>–</u>	<u>593,538</u>
Share of results of joint ventures and associates	<u>–</u>	<u>–</u>	<u>–</u>	<u>23,939</u>	<u>23,939</u>

	2024 (re-presented)				
	Intelligent passenger information services <i>HK\$'000</i>	Digital- intelligence urban rail services <i>HK\$'000</i>	Innovative development <i>HK\$'000</i>	Business development investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition					
Point in time	732,051	417,540	76,287	–	1,225,878
Over time	2,385	98,049	330,461	–	430,895
Revenue from external customers	734,436	515,589	406,748	–	1,656,773
Inter-segment revenue	6,065	5,379	2,513	–	13,957
Reportable segment revenue	<u>740,501</u>	<u>520,968</u>	<u>409,261</u>	<u>–</u>	<u>1,670,730</u>
Reportable segment profit	<u>308,645</u>	<u>101,908</u>	<u>209,134</u>	<u>–</u>	<u>619,687</u>
Share of results of joint ventures and associates	<u>–</u>	<u>–</u>	<u>–</u>	<u>21,888</u>	<u>21,888</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Reportable segment profit	593,538	619,687
Share of results of joint ventures and associates	23,939	21,888
Other income and other gains/losses	19,183	21,790
Selling, general and administrative expenses	(266,438)	(266,556)
Impairment loss on trade, bills and other receivables and contract assets, net	(11,368)	(13,447)
Research and development expenses	(166,703)	(159,599)
Finance costs	(12,333)	(9,884)
Fair value changes in other financial assets measured at FVTPL	(9,253)	(7,597)
Profit before taxation	<u>170,565</u>	<u>206,282</u>

(iii) **Geographic information**

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
– Chinese Mainland	1,705,799	1,596,171
– Hong Kong	30,324	25,389
– Overseas	39,625	35,213
	<u>1,775,748</u>	<u>1,656,773</u>

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

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) **Finance costs**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	3,598	2,706
Interest on other borrowings	7,345	5,319
Interest on lease liabilities	1,390	1,859
	<u>12,333</u>	<u>9,884</u>

(b) **Staff costs**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Salaries, wages and other benefits	262,430	262,509
Contributions to defined contribution retirement plans	27,154	28,094
	<u>289,584</u>	<u>290,603</u>

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

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

(c) **Other items**

	2025	2024
	<i>HK\$’000</i>	<i>HK\$’000</i>
Auditors’ remuneration:		
– audit services	1,406	1,372
– other services	602	588
Amortisation of intangible assets	22,317	20,587
Depreciation charge		
– owned property, plant and equipment	34,047	29,013
– right-of-use assets	18,652	11,647
Cost of inventories (<i>Note</i>)	859,878	687,237
Increase in provision for warranties	8,678	7,224
Impairment loss on trade, bills and other receivables and contract assets, net	11,368	13,447
Impairment of prepayment	296	–
Expense relating to short-term leases, which not included in the measurement of lease liabilities	–	909
Net loss on disposal of property, plant and equipment	91	202

Note: Cost of inventories includes approximately HK\$90,572,000 (2024: HK\$90,584,000) relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 4(b) for each of these types of expenses.

5 INCOME TAX

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current taxation - the PRC Enterprise Income Tax:		
– Provision for the year	14,678	27,113
– Withholding tax on dividend income	6,214	5,443
– Withholding tax on transfer of shares	5,849	–
	<u>26,741</u>	<u>32,556</u>
Current taxation - Hong Kong Profits Tax:		
– Provision for the year	1,362	1,060
– Over-provision for in prior years	(2)	(177)
	<u>1,360</u>	<u>883</u>
Current taxation - India Profits Tax:		
– Provision for the year	864	3,157
Deferred taxation:		
– Origination and reversal of temporary differences	(2,664)	(9,821)
	<u>26,301</u>	<u>26,775</u>

6 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2025 is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK\$133,974,000 (2024: HK\$167,604,000) and the weighted average of 2,097,147,000 ordinary shares (2024: 2,097,147,000 ordinary shares) in issue during the year.

The Group has no dilutive ordinary shares outstanding for the years ended 31 December 2025 and 2024. Therefore, there was no difference between basic and diluted earnings per share.

7 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract assets		
Arising from performance under contracts with customers	1,070,150	783,893
Less: loss allowance	<u>(52,652)</u>	<u>(48,837)</u>
	<u>1,017,498</u>	<u>735,056</u>
Receivables from contracts with customers within the scope of IFRS 15, which are included in “Trade and other receivables” (Note 8)	<u>649,973</u>	<u>983,954</u>

As at 1 January 2024, contract assets amounted to approximately HK\$714,262,000, and receivables from contracts with customers within the scope of IFRS 15 (which are included in “Trade and other receivables”) amounted to approximately HK\$806,874,000.

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

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

Contract assets are mainly generated from intelligent passenger information services segment and digital-intelligence urban rail services segment. In 2025, revenue generated by the above-mentioned segments increased. As a result, the balance of contract assets at any given time thereafter also increased compared to the previous year.

The amount of contract assets that is expected to be recovered after more than one year is approximately HK\$95,293,000 (2024: HK\$78,432,000), all of which relates to retentions. All of the other contract assets are expected to be recovered within one year.

(b) Contract liabilities

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contract liabilities		
Service contracts		
– Billings in advance of performance	<u>25,643</u>	<u>38,604</u>

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

Movements in contract liabilities

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at 1 January	38,604	45,800
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(39,057)	(45,499)
Increase in contract liabilities as a result of billing in advance of service	25,304	39,190
Exchange adjustments	792	(887)
	<hr/>	<hr/>
Balance at 31 December	<u>25,643</u>	<u>38,604</u>

The amount of contract liabilities expected to be recognised as income within one year is approximately HK\$25,643,000 (2024: HK\$38,604,000).

8 TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	705,925	1,031,338
Bills receivable	481,918	230,281
	<hr/>	<hr/>
	1,187,843	1,261,619
Less: loss allowance	(57,472)	(47,981)
	<hr/>	<hr/>
Trade and bills receivables, net of loss allowance	<u>1,130,371</u>	<u>1,213,638</u>
	<hr/>	<hr/>
Prepayments, deposits and other receivables	59,921	65,681
Less: loss allowance	(11,208)	(9,980)
	<hr/>	<hr/>
	48,713	55,701
	<hr/>	<hr/>
Value-added tax recoverable	23,135	16,425
	<hr/>	<hr/>
	<u>1,202,219</u>	<u>1,285,764</u>

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

As at 31 December 2025, trade and bills receivables amounting to approximately HK\$28,832,000 (2024: HK\$28,262,000) have been pledged as security for the Group's other borrowings.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	903,905	974,117
Over 1 year	226,466	239,521
	<u>1,130,371</u>	<u>1,213,638</u>

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

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$705,925,000 (2024: HK\$1,031,338,000) which are past due as at the reporting date, of which HK\$461,172,000 (2024: HK\$824,810,000) has been past due 90 days or more. The management of the Group are of the view that it is not considered as default based on the financial background of the customers.

9 TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	1,170,279	1,016,485
Bills payable	137,038	77,081
Trade and bills payables	1,307,317	1,093,566
Accrued expenses and other payables	133,979	123,804
Consideration payable for acquisition of a subsidiary	–	80,730
Other taxes payables	82,222	58,820
	<u>1,523,518</u>	<u>1,356,920</u>

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

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Due within 1 month or on demand	1,184,840	1,026,820
Due after 1 month but within 6 months	122,477	66,746
	<u>1,307,317</u>	<u>1,093,566</u>

10 CAPITAL AND DIVIDENDS

(a) Dividends

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend proposed after the end of the reporting period of HK\$2.0 cents (2024: HK\$2.4 cents) per ordinary share	<u>41,943</u>	<u>50,332</u>

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

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$2.4 cents (2024: HK\$2.5 cents) per ordinary share	<u>50,332</u>	<u>52,429</u>

(b) Share capital

Authorised and issued share capital

	2025		2024	
	<i>Number of shares</i>	<i>HK\$'000</i>	<i>Number of shares</i>	<i>HK\$'000</i>
Authorised:				
Ordinary shares of HK\$0.01 each	<u>5,000,000,000</u>	<u>50,000</u>	<u>5,000,000,000</u>	<u>50,000</u>
Issued and fully paid:				
At 1 January and 31 December	<u>2,097,146,727</u>	<u>20,971</u>	<u>2,097,146,727</u>	<u>20,971</u>

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND BUSINESS ENVIRONMENT

The Group focuses on railway transportation and intelligent infrastructure, leveraging intelligent technology to drive industry development. As the Group's primary source of revenue, the development trend of the railway transportation industry is closely linked to the Group's business environment.

In 2025, the railway transportation industry in Chinese Mainland continued to grow under high-quality development guidelines, despite a slowdown in growth rates. In the domestic railway sector, according to data from the China National Railway Group, national railway fixed-asset investment reached approximately RMB901.5 billion, representing a year-on-year increase of approximately 6.0%. Aggregate passenger trips by railway in Chinese Mainland was approximately 4.26 billion, representing an increase of approximately 4.2% as compared to the same period last year. In the urban rail sector, data from the China Association of Metros indicates that 24 cities in Chinese Mainland inaugurated new lines, new sections or extensions in 2025, contributing 910.80 kilometres of operational mileage. According to preliminary estimates, total passenger volume of all-format urban rail transit systems will reach a new peak of over 34.0 billion in 2025.

Against a backdrop of slowing industry growth, the policy environment and market landscapes in which the Group operates are undergoing profound shifts. In 2025, urban rail construction approvals continued to tighten, with quantitative assessment indicators comprehensively refined, shifting the industry's focus from rapid expansion by construction to enhancement of existing rail lines. In specific sub-sectors, policy shifts have pressured profit margins in the Group's metro civil communications business; on the other hand, market orders are increasingly shifting towards integrated and intelligent solutions, and the demand from various project owners for integrated intelligent solutions continues to rise. This shift is accelerating a restructuring of the industry's competitive landscape. Driven by both regulatory changes and market demand, the next growth phase will be fueled by the renovation and efficiency enhancement of existing rail systems, with a strategic focus on intelligence, green-application, and autonomy. To navigate these structural transitions, the Group will prioritize stability while sharpening core capabilities – fortifying its current market position while pioneering new avenues for sustainable growth.

BUSINESS OVERVIEW

In 2025, facing the complex situation of slowing growth and structural adjustment in the railway transportation industry, as well as the operational pressure from targeted policies in areas such as civil communications, the Group leveraged its potential to ensure operational stability. In 2025, the Group recorded revenue of approximately HK\$1,775.7 million, representing a year-on-year increase of approximately 7.2%. Gross profit margin was approximately 33.4%, representing a year-on-year decrease of approximately 4 percentage points. Profit attributable to equity shareholders amounted to approximately HK\$134.0 million, representing a year-on-year decrease of approximately 20.1%.

During the Period, in order to further optimise the strategy and expand future business growth points, the Group integrated BII Transit Systems (HK) Co., Ltd (京投交通科技(香港)有限公司) (“BII-TSHK”) with its international business and the intelligent infrastructure business segment to form the “Innovative Development Business segment”. In addition, to further promote and reflect the in-depth application of big data, artificial intelligence, and large language model in the rail transit industry, the original “Data and Integration Services Business segment” was renamed to the “Digital-Intelligence Urban Rail Services Business segment”.

In 2025, the Group insisted on its market strategy of “relying on Beijing and Hong Kong, stepping up its presence nationwide, and exploring international markets”, and continued to intensify its expansion efforts in various market segments. Domestically, benefiting from the rapid development of new businesses such as cryptographic evaluation, the business presence was expanded to 10 new cities, including Guiyang, Guizhou and Shijiazhuang, Hebei. Internationally, the Group entered the Moroccan market for the first time, continuously expanding its market footprint. To date, the Group’s business covers 65 cities in the Chinese Mainland and 32 cities in 21 overseas countries and regions. As of the end of 2025, the Group’s orders on hand amounted to approximately HK\$3.14 billion, remaining basically stable as compared with the same period last year.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK\$1,775.7 million in FY2025, representing a year-on-year increase of approximately 7.2%. Revenue was mainly derived from the three core businesses: intelligent passenger information services business, digital-intelligence urban rail services business and innovative development business, which amounted to approximately HK\$765.7 million, HK\$688.6 million and HK\$321.5 million respectively, accounting for approximately 43.1%, 38.8% and 18.1%, respectively.

Revenue derived from the intelligent passenger information services business during the Period was approximately HK\$765.7 million, representing a year-on-year increase of approximately HK\$31.3 million (on a consistent business classification basis) or approximately 4.3%. The revenue increase was mainly due to the Rail Transit Line 22 (Pinggu Line) integrated monitoring project reaching the delivery stage. This alignment with the project’s implementation cycle led to higher revenue as compared with the same period last year.

Revenue derived from the digital-intelligence urban rail services business during the Period was approximately HK\$688.6 million, representing a year-on-year increase of approximately HK\$173.0 million or approximately 33.5%. This was mainly due to the concentrated revenue recognition for key projects, including the Dongguan Urban Rail Transit Line 1 Phase I project and Line 13 capacity expansion and enhancement project, with a larger number of projects reaching the revenue recognition stage during the Period.

Revenue derived from the innovative development business for the Period was approximately HK\$321.5 million, representing a decrease of approximately HK\$85.3 million (on a consistent business classification basis) or approximately 21.0% as compared with the same period last year. This performance was largely impacted by regulated fee reductions in the civil communication sector that took effect during the Period.

By geographical region, the Group mainly operates its businesses in Chinese Mainland. In FY2025, the Group recorded revenue of approximately HK\$1,705.8 million in Chinese Mainland, representing an increase of approximately HK\$109.6 million or approximately 6.9% compared to the same period last year. This was driven by a higher volume of project completions aligned with their respective implementation cycles during the Period as compared with the same period last year. The Group recorded revenue of approximately HK\$30.3 million from the Hong Kong market during the Period, representing an increase of approximately HK\$4.9 million or approximately 19.4% compared to the same period last year, primarily contributed by projects related to Hong Kong's public transport concession scheme and system upgrade projects. The Group recorded revenue of approximately HK\$39.6 million from the overseas market during the Period, representing an increase of approximately 12.5% as compared with the same period last year. In addition, based on project location classification, overseas projects recorded revenue of approximately HK\$63.4 million, representing an increase of approximately HK\$12.2 million or approximately 23.8% as compared with the same period last year. The growth in overseas market was primarily attributable to projects such as the Delhi Metro in India, reaching the revenue recognition stage during the Period.

Cost of sales and gross profit

The Group's cost of sales for FY2025 amounted to approximately HK\$1,182.2 million, representing an increase of approximately HK\$145.1 million or approximately 14.0% as compared with the same period last year. The Group's gross profit was approximately HK\$593.5 million, representing a decrease of approximately HK\$26.1 million or approximately 4.2% compared to the same period last year. This was mainly due to the faster growth in revenue from integrated projects, which carry lower gross profit margins, coupled with a decrease in revenue from the civil communication business, which carries higher gross profit margins, and changes in product revenue structure, resulting in an overall increase in costs and a decline in gross profit during the Period.

Selling, general and administrative expenses

The Group's selling, general and administrative expenses for FY2025 amounted to approximately HK\$266.4 million which remained stable as compared to the same period last year.

Impairment losses under expected credit loss ("ECL") model

The Group's impairment losses under the ECL model represent the impairment provision made by the Group in accordance with the ECL rates prescribed by IFRS 9 for its trade receivables and contract assets.

For the year 2025, the Group's impairment loss under the ECL model was approximately HK\$11.4 million (2024: HK\$13.4 million).

As at the date of this announcement, trade receivables and contract assets of approximately HK\$226.9 million as at 31 December 2025 have been subsequently settled. Based on the historical loss experience and the sound financial background of the customers, management assessed that the expected credit loss allowances recognised as at 31 December 2025 were adequate.

Research and development (“R&D”) expenses

For FY2025, the Group's R&D expenses amounted to approximately HK\$166.7 million, representing an increase of approximately HK\$7.1 million or approximately 4.5% compared with the same period last year. This was mainly due to intensified investment in fundamental research and innovative product development, alongside a strategic expansion into AI technologies during the year.

Share of results of joint ventures and associates

The Group's investment income for FY2025 was approximately HK\$23.9 million, representing an increase of approximately HK\$2.1 million or approximately 9.4% compared to the same period last year, mainly due to the improved performance of some joint ventures and associates during the Period.

Gains or losses on changes in fair value of other financial assets

The Group recorded losses on changes in fair value of approximately HK\$9.3 million for FY2025. The change was mainly due to changes in the fair value of the Group's other financial assets, Youdao Technology Co., Ltd (友道科技有限公司) (“Youdao Technology”) and Beijing Cornerstone Huiying Venture Capital Centre (Limited Liability Partnership) (北京基石慧盈創業投資中心(有限合夥)).

Profit attributable to equity shareholders of the Group

The profit attributable to equity shareholders of the Group was approximately HK\$134.0 million in FY2025, representing a year-on-year decrease of approximately 20.1%. Earnings per share was HK\$0.064, representing a year-on-year decrease of approximately 20.1%.

Liquidity, financial and capital resources

Capital structure

As at 31 December 2025, the Group's issued share capital consisted of 2,097,146,727 ordinary shares of HK\$0.01 each (31 December 2024: 2,097,146,727 ordinary shares of HK\$0.01 each).

Cash position

As at 31 December 2025, the Group's cash and bank balances were approximately HK\$820.6 million (31 December 2024: approximately HK\$761.2 million). The increase was mainly due to the increase in net cash flows from operating activities of the Group during the Period.

Borrowings and pledged assets of the Group

As at 31 December 2025, the Group's borrowings were approximately HK\$310.1 million (2024: approximately HK\$384.8 million), of which HK\$165 million was derived from the borrowing from a subsidiary of BII, the Company's ultimate holding company, and the remaining was bank and other borrowings of approximately HK\$145.1 million.

In respect of the Group's borrowings of HK\$165 million, as at 31 December 2025, the rights and interests in 20% of the issued share capital of Great Legend Development Limited, a wholly-owned subsidiary of the Group, held by the Company were charged in favour of a subsidiary of the ultimate holding company of the Company.

Working capital and debt-to-asset ratio

As at 31 December 2025, the Group had current assets of approximately HK\$3,533.9 million (31 December 2024: approximately HK\$3,233.2 million), while its current liabilities were approximately HK\$1,748.1 million (31 December 2024: approximately HK\$1,575.8 million), resulting in net current assets of approximately HK\$1,785.8 million (31 December 2024: approximately HK\$1,657.4 million). As at 31 December 2025, the current ratio, calculated based on current assets divided by current liabilities, was approximately 2.0 (31 December 2024: approximately 2.1).

Gearing ratio is calculated based on total debts at the end of a period divided by total assets at the end of such period multiplied by 100%. As at 31 December 2025, the Group's gearing ratio was 38.8% (31 December 2024: 39.2%).

Foreign exchange exposure

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

The Group currently does not engage in any hedging activities designated or intended to manage foreign exchange rate risk. Therefore, the Group will closely monitor the exchange rate risk and interest rate risk concerned, actively explore foreign exchange hedging options with major banks and use financial instruments to hedge against such risks when necessary.

Contingent liabilities

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

BUSINESS ANALYSIS BY SEGMENT

In 2025, the Group focused on its “3+2” strategic framework, vigorously pursuing market expansion and project implementation, and consolidating the foundation of its three core businesses: intelligent passenger information services business, digital-intelligence urban rail services business, and innovative development business. At the same time, it optimised resource allocation through capital operations, empowered business upgrades and efficiency improvements with AI-driven R&D, continuously enhanced its market competitiveness and service levels, and achieved a high-quality conclusion to the “14th Five-Year Plan”.

Intelligent Passenger Information Services Business

The intelligent passenger information services business primarily focuses on passenger mobility scenarios including high-speed, intercity, suburban and metro rail systems. Its main products include integrated PIS, on-board integrated cloud-based platform, comprehensive monitoring and other hardware and software products and solutions.

Revenue derived from the intelligent passenger information services business during the Period was approximately HK\$765.7 million, representing a year-on-year increase of approximately HK\$31.3 million or approximately 4.3%. Gross profit was approximately HK\$322.8 million, representing a year-on-year increase of approximately 4.6%. Gross profit margin was approximately 42.2% which remained basically stable as compared to last year.

During the Period, the Group strengthened its position in the domestic railway transportation market leveraging its core competitive advantages. Notably, its on-board PIS system maintained the top in domestic market share for the tenth consecutive year. During the Period, the Group successfully signed the comprehensive monitoring system integration and PIS system project for Beijing Metro Line 22, with a total amount of approximately RMB81.10 million. The project will feature on-board edge cloud technology, enabling real-time monitoring of vehicle operating status and passenger behaviour, as well as automatic reporting of abnormal information, which significantly improves safety and emergency response efficiency. Meanwhile, the Group secured its first integrated monitoring project outside Beijing – the comprehensive monitoring system project for Urumqi Metro Line 2, with a contract value of approximately RMB29.16 million, further deepening the regional market layout of its business. In addition, the Group actively explored data security, expanding its commercial cryptographic evaluation services business to nine additional cities, achieving positive results in business extension and scenario expansion.

In the overseas markets, the Group made steady advancement in global market development. During the Period, the Group successfully entered the Moroccan market, securing the on-board PIS system project for electric multiple units (EMU) in Morocco with a contract value of approximately RMB17.89 million. In existing markets such as Brazil, Malaysia, and India, the Group successively won new orders, including an EMU on-board PIS project in Brazil with a contract value of approximately RMB59.29 million, further consolidating its business presence in regional markets such as Southeast Asia and South America.

In 2025, the Group focused on the R&D of core technologies and the deployment of scenario-based solutions, playing a key role in domestic rail transit development. The Group supported the successful launch of over ten new lines in cities including Beijing, Shenzhen, Jinan, Chengdu, Dongguan, and Xuzhou. Customised intelligent railway transportation solutions were created for different line operation characteristics and scenario needs: a dedicated on-board passenger information system was developed for Jinan's first tram line across the Yellow River, the Jiyang Line, featuring special optimisations for functions like anti-fatigue driving alerts; a new on-board PIS system was configured for Shenzhen Line 13, creating intelligent services such as bilingual displays tailored for cross-border travel; and a fully integrated on-board and platform PIS solution in the region debuted on Chengdu Line 30, achieving seamless data synchronisation between ground and vehicle systems. These projects underscore the Group's technical capability and adaptability in the intelligent rail sector.

Digital-Intelligence Urban Rail Services Business

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

Revenue derived from the digital-intelligence urban rail services business during the Period was approximately HK\$688.6 million, representing a year-on-year increase of approximately HK\$173.0 million or approximately 33.5%. Gross profit reached approximately HK\$127.4 million, representing a year-on-year increase of approximately 25.0%. Gross profit margin was approximately 18.5%, representing a year-on-year decrease of approximately 1.3 percentage points.

In 2025, the Group strengthened its market-leading position, ranking among the top ten in domestic AFC market share for the third consecutive year. During the Period, the Group successively secured several key projects. In terms of communication integration, the Group secured the communication and AFC equipment integrated procurement project for Urumqi Metro Line 2 Phase I project, with a contract value of approximately RMB170 million, marking the first implementation of autonomous sub-system procurement and supplier management model for communication integration projects outside Beijing. In terms of command and control, the Group successfully secured two projects, namely the capacity expansion and enhancement project of Beijing Metro Line 13 and the integration of Beijing Metro Line 6 Phase II (Southern Extension) into the control centre, with a total contract value of approximately RMB34.78 million, integrating multi-disciplinary systems including Automatic Train Supervision and Integrated Supervision and Control System to ensure the smooth integration of newly adjusted lines into the control centre. In terms of intelligent operation and maintenance, during the Period, the Group consecutively won projects including the underground structure safety assurance and control platform, the expansion and upgrade of the subway intelligent operation and maintenance platform, and the commercial complex

intelligent integrated management platform. By leveraging its core technology architecture of “data governance + IoT perception + rule engine + digital twin”, and integrating the application of big data and AI large models, the Group has consistently enhanced operational efficiency while reducing operating costs.

In 2025, multiple digital and intelligent urban railway service projects of the Group were successfully implemented, continuously empowering the intelligent upgrading of various urban railway transportation lines: it facilitated the opening of Beijing Metro Line 18, completing the integrated delivery of multiple professional systems such as AFC and communications. It also facilitated the simultaneous commissioning of Jinan Metro Lines 4, 6, and 8, successfully delivering a data sharing platform that aggregates data from multi-standard lines across the entire network, providing core support for intelligent dispatching. Furthermore, the clearing system for Dongguan Metro Line 1, was successfully implemented and established a critical link with existing Line 2, transitioning the city to a multi-line network. These projects have further solidified the Group’s expertise in digital and intelligent rail technologies.

Innovative Development Business

Building on the civil communication and “intelligent+” businesses and with an aim to provide a one-stop intelligent infrastructure services for global clients, the innovative development business will leverage its current Hong Kong international business gateway to explore the innovative incremental business through engineering support, technical services and so on.

Revenue derived from the innovative development business during the Period was approximately HK\$321.5 million, representing a year-on-year decrease of approximately HK\$85.3 million or approximately 21.0%. Gross profit was approximately HK\$143.3 million, representing a year-on-year decrease of approximately 31.5%. Gross profit margin was approximately 44.6%, representing a year-on-year decrease of approximately 6.8 percentage points. The decrease in revenue was mainly due to the implementation of the fee reduction policy for the civil communication business, which was reflected during the Period.

During the Period, the Group was notified of significant policy changes governing the civil communication business, which will reduce and gradually abolish the operators’ usage fees for the civil communications transmission systems. Meanwhile, the Group will no longer be responsible for the investment and construction costs for civil communication in future lines. Against this backdrop, the Group, on the one hand, ensured the stable operation of existing civil communication line facilities and successfully completed the construction of supporting civil communication equipment and facilities for Beijing Metro Line 18, the middle section of Beijing Metro Line 17, and the south extension of Line 6. On the other hand, the Group accelerated its strategic transition into high-growth sub-sectors such as metro edge cloud, securing the Beijing Integrated Intelligent Network Services Project with a contract value of approximately RMB56.52 million. Going forward, the Group will deepen its exploration of computing power services, the Internet of Things, and park dedicated lines, actively responding to policy risks with a diversified business presence, thereby consolidating the foundation for the long-term development of the civil communication business.

During the Period, the Group’s “intelligent+” business made steady progress in several key projects including the city’s sub-centre hub and the new airport expressway. During the Period, leveraging the BII Park operation and maintenance project, the Group successfully secured three BII Park renewal and renovation projects, achieving breakthrough expansion in key products and technologies. Meanwhile, the Group’s self-developed smart fire protection management platform was implemented in the Beijing Sub-centre transportation hub project. By integrating data from various fire protection subsystems, video surveillance systems, and environmental monitoring systems, the platform provides auxiliary decision-making analysis for fire prevention and control, ensuring early detection and timely interruption of risks, thereby effectively safeguarding life and property.

In addition, leveraging its overseas resource advantages, the Group accelerated the development of BII-TSHK, its international business gateway. During the Period, through actively engaging with potential customers and cooperation resources, the Group achieved an initial breakthrough in expanding into the overseas technology service market, laying a foundation for subsequent layout and expansion.

Investments Management

In 2025, the Group focused on optimising its investment portfolio and ecosystem by enhancing its post-investment management through ‘streamlined policies and precise empowerment.’ By implementing a dynamic monitoring mechanism, the Group gained insights into portfolio company operations, prioritising strategic synergy and resource integration. At the same time, by dynamically optimising its portfolio and disposing of non-core assets, the Group further prioritised its primary business tracks. This shift improved capital allocation efficiency and supported the long-term sustainability of its industrial network.

To strengthen its strategic focus, the Group disposed of 49% equity interest in Beijing Metro Science and Technology Development Co., Ltd.* (北京地鐵科技發展有限公司) (“Metro Technology”) to Beijing Subway Operation Co., Ltd. (北京市地鐵運營有限公司) by way of public tender on the China Beijing Equity Exchange in the first half of the year. As at the date of this announcement, the Group no longer holds any equity interest in Metro Technology. Please refer to the announcements of the Company dated 13 February 2025 and 27 March 2025 for details.

The primary operating performance of companies in which the Group invested during the Period is as follows:

- Beijing Capital Metro Co., Ltd. (“Capital Metro”) continued to provide operation and management services for the Beijing Subway Capital Airport Express and Shaoxing Metro Line 1 (including Hangzhou-Shaoxing section), and continuously improved the operational service quality of the lines under its jurisdiction by optimizing and adjusting the line maintenance and repair models. During the Period, the passenger traffic on the Capital Airport Express increased compared to last year, contributing to a steady growth in both operating revenue and net profit of Capital Metro, bringing sound investment income to the Group;
- Beijing SmartTOD Technology Development Co., Ltd. focused on its two core businesses of intelligent hubs and the dual-intelligence private network, steadily advancing the sub-centre hub project. The platform application system was fully launched, supporting the on-schedule opening of the sub-centre comprehensive transportation hub; it simultaneously advanced the dual-intelligence private network project, completed the debugging of the resource integration platform, and contributed to the construction of Beijing’s new smart city;
- Beijing Ruubypay Science and Technology Co., Ltd. continued to advance technological and business innovation, achieving the launch and production of three intelligent systems for the AFC 2.0 system. Additionally, the company completed the R&D phase for the Dongguan Metro ticketing platform, which has now officially entered the testing phase;
- Youdao Technology continued to enhance the integration of industry and education, successfully launching new products such as the Digital-Intelligence Experiment Centre and completing system iterations. Additionally, the company secured several bids and had delivered training base projects for various institutions;
- Baoding Cornerstone Lianying Venture Capital Investment Fund Centre (Limited Liability Partnership) and Beijing Cornerstone Huiying Venture Capital Centre (Limited Liability Partnership) have transitioned into exit period. A number of projects have completed orderly divestments, contributing realized returns during the Period.

R&D and innovation

The Group upholds the core strategic concept of “R&D + Innovation,” targeting new requirements for the development of new quality productive forces. It focuses on the trends of intelligence, integration, green application and autonomy in the railway transportation industry, continuously improving its scientific research and innovation system, advancing key technology breakthroughs, and accelerating product development and the commercialisation of results. During the Period, the Group’s scientific research projects yielded fruitful results, the intellectual property portfolio was continuously strengthened, and breakthroughs were achieved in the construction of the artificial intelligence technology system, providing technical support for its business development.

In terms of R&D and innovation, the Group's R&D activities were carried out in an orderly manner, with precise and efficient resource investment. The Group continued to consolidate its technological foundation in traditional areas of strength such as smart ticketing, smart operations, smart maintenance, big data, and intelligent application platforms, while continuously expanding into emerging fields like security and smart lighting. A total of 26 product R&D projects were advanced throughout the year, with 12 tested and completed. The major research project, "Key Technology Research and Demonstration of Integrated Urban (Suburban) Railway and Urban Rail Transit Operation", successfully developed a prototype system for integrated billing and clearing. It overcame the challenge of multi-standard billing and clearing algorithms, effectively addressing the issues of payment fairness for cross-standard travel and revenue distribution among multiple operating entities, thereby reserving key technologies for the development of "four-network integration". In addition, the Group has proactively positioned itself in the field of artificial intelligence, coordinating the advancement of AI technology R&D and scenario applications. It has deployed 13 key tasks centered on scenarios such as railway transportation and enterprise management, resulting in 6 accepted invention patents, 7 software copyrights (including pending applications), 12 software and hardware systems, 5 professional knowledge bases, and over 10 key achievements including computing platforms and knowledge graphs.

In terms of application and commercialisation, the Group accelerated the pace of transforming R&D achievements into market value. During the Period, a total of 8 products were implemented or secured intent for application in 9 engineering projects. Among them, the comprehensive video analysis system was applied for intelligent passenger control on Ningbo Metro Line 3; the AFC terminal equipment 2.0 resolved the compatibility issues of domestic chips and systems and was successfully deployed in the Urumqi Metro; the deep-sensing fire protection & integrated management platform was applied in the FAS project of the sub-centre hub. These technological achievements comprehensively covered the main lines of the Group's three core business segments, fully reflecting the close integration of R&D and market demand. At the same time, the commercialisation of artificial intelligence applications achieved a "dual breakthrough" in business and management. For customer service, the Group successfully developed 8 professional intelligent applications, including smart customer service transparent screens, digital human interactions, and public opinion monitoring agents, deeply empowering passenger services, operations dispatching, equipment maintenance, and emergency response. For internal management, it launched 7 intelligent assistants, such as a legal and audit agent and a document drafting assistant, significantly enhancing efficiency in functions such as contract review, policy retrieval, and copywriting. These achievements were showcased at the Qingdao Rail Transit Exhibition, initially establishing an AI R&D and application framework featuring "technology unification, resource sharing, and scenario collaboration", laying a solid foundation for the intelligent upgrading of the Company's products and the innovation of its business models.

In 2025, the Group’s R&D investment reached approximately HK\$166.7 million, representing a year-on-year increase of approximately 4.5%, mainly due to strengthened R&D on fundamental topics and innovative products, coupled with increased investment in the AI field. During the Period, the Group newly obtained 21 patents (accumulating 169 valid patents) and 56 software copyrights (accumulating 703 valid software copyrights), and was honoured with multiple awards including the Beijing Municipal Science and Technology Progress Award, the China Association of Metros Science and Technology Progress Award, the China Communications and Transportation Association Science and Technology Award, and the Beijing Railway Transportation Society Science and Technology Award. A subsidiary of the Company, Huaqi Intelligent, was awarded the 2025 Jiangsu Provincial Advanced Smart Factory. These achievements not only demonstrate the Group’s R&D strength but also mark a solid step forward in promoting technological innovation in railway transportation.

BUSINESS PROSPECTS

Macro Environment Poised for Quality and Efficiency Enhancement

The year 2026 marks the launch of the 15th Five-Year Plan, a defining period for the PRC economy as it navigates the transition to new growth drivers and deep structural adjustments. Against this backdrop, the 2026 Government Work Report has reinforced the policy mandate of “seeking progress while maintaining stability” — with an intensified focus on improving investment quality and efficiency. As a strategic sector that balances short-term growth stabilisation with long-term structural transformation, rail transit and intelligent infrastructure remain central to national policy. However, the traditional growth model driven by new construction is now yielding to the ‘Stock Era,’ a new phase focused on optimising, upgrading, and extracting value from existing networks within the industry. The market now demands higher standards for project lifecycle quality, operational efficiency, and the integration of smart construction. This shift compels the entire industry chain to accelerate cost optimisation, quality upgrades, and digital transformation. Amidst these changes, new opportunities are emerging: in this ‘Stock Era,’ enterprises that deeply embed themselves in specific application scenarios — while maintaining core technological advantages and comprehensive solution capabilities — are well-positioned for a new phase of high-quality development and market expansion.

Overseas Business Unlocking Growth Potential

As the domestic market shifts toward stock competition, overseas expansion has become a critical strategic pillar for rail transit enterprises to bypass growth bottlenecks and capture new market share. In alignment with the ‘Belt and Road’ initiative, China’s rail industry continues to deepen international cooperation through high-impact infrastructure projects. The recent progress of flagship projects — including the China-Kyrgyzstan-Uzbekistan Railway, Chile’s Batauco Railway, and Tanzania’s Central Line Standard Gauge Railway — underscores the global competitiveness of the PRC’s rail transit value chain.

Leading enterprises are now pivoting from equipment exports to system-level exports, delivering technical standards, operational management, and full-lifecycle services. As demand for localised services and collaborative expansion grows, the industry is poised to unlock significant new growth engines through these integrated, high-value global systems.

Assets Upgrade and Renewal Trend

As the rail transit network expands and early-line equipment reaches the end of its service life, the demand for asset maintenance is entering a period of concentrated release. Rolling stock is increasingly requiring intensive intermediate and major overhauls, while aging issues in critical systems — such as signaling, power supply, and platform screen doors — are becoming more pronounced. This is accelerating a shift from ‘corrective maintenance’ toward ‘predictive maintenance’ and ‘systematic renewal.’ This trend not only drives the replacement of legacy hardware but also creates a vast market for AI-driven smart operation and management solutions. Consequently, the momentum for asset renewal is opening a sustainable strategic growth path for enterprises with established green technologies and full-lifecycle service capabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group employed a total of 627 employees (including executive Directors) (31 December 2024: 623). The total staff costs, including Directors’ remuneration, were approximately HK\$289.6 million (FY2024: approximately HK\$290.6 million). The decrease was mainly due to the Group’s continuous optimisation of its personnel structure.

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

MATTERS SUBSEQUENT TO THE PERIOD

Save for the events described under the paragraph headed “Final Dividend”, there is no other material event after the Period as at the date of this announcement.

AUDIT COMMITTEE

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

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

The Audit Committee held five meetings during FY2025 to, among others, review the interim and annual financial results and reports of the Group and significant issues on financial reporting, operational and compliance controls. The Audit Committee also reviewed the effectiveness of the Group's risk management and internal control systems, internal audit function and compliance procedures, and considered matters regarding appointment of external auditors, relevant scope of works and connected transactions and arrangements for employees to raise concerns about possible improprieties.

As at 31 December 2025, the Audit Committee consists of three independent non-executive Directors, namely Mr. Luo Zhenbang (CPA) (chairman of the Audit Committee), Mr. Huang Lixin and Ms. Ng Wing Yan Claudia.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the Group's annual results for FY2025 and recommended to the Board for approval.

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

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this annual results announcement have been agreed by the Company's auditor, Baker Tilly Hong Kong Limited ("Baker Tilly"), Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly in this announcement.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares, if any) during the year ended 31 December 2025. During the Period, the Company and its subsidiaries did not hold any treasury shares.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code as its code of corporate governance. According to the Board, the Company has complied with the Corporate Governance Code for FY2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

Specific enquiry has been made with all the Directors and employees to whom the Securities Dealing Code applies. The Directors have confirmed that they have complied with the Securities Dealing Code and the Model Code throughout the year ended 31 December 2025. No incident of non-compliance with the Securities Dealing Code by the employees was noted by the Company.

FINAL DIVIDEND

In view of the business growth of the Group and in response to the long term support of the shareholders of the Company (the "Shareholders"), the Board recommended the declaration of a final dividend of HK\$0.02 per share for FY2025 (FY2024: HK\$0.024 per share). The proposed final dividend will be payable to Shareholders whose names appear on the register of members of the Company on Monday, 29 June 2026, subject to the approval of the Shareholders at the annual general meeting to be held on Thursday, 18 June 2026 (the "2026 AGM"). It is expected that the final dividend will be paid on or before Friday, 18 September 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2026 AGM to be held on Thursday, 18 June 2026, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2026 AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 June 2026 (Hong Kong time).

For determining the entitlement to the proposed final dividend (subject to the approval by the Shareholders at the 2026 AGM), the register of members of the Company will be closed from Thursday, 25 June 2026 to Monday, 29 June 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 June 2026 (Hong Kong time).

ANNUAL GENERAL MEETING

The 2026 AGM will be held on Thursday, 18 June 2026. Shareholders should refer to details regarding the 2026 AGM in the circular to be published on the website of the Company at www.biitt.cn and the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk by the Company and the notice of meeting and form of proxy accompanying therewith.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement has been published on the website of the Company at www.biitt.cn and the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The 2025 annual report of the Company will be published on the above websites in due course.

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

Hong Kong, 30 March 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Liu Yu and Ms. Zhao Jingyuan; the non-executive Directors of the Company are Mr. Ren Yuhang, Mr. Wang Daomin, Mr. Li Zheng and Mr. Cao Mingda; and the independent non-executive Directors of the Company are Mr. Luo Zhenbang, Mr. Huang Lixin and Ms. Ng Wing Yan Claudia.