



2025 Annual Report



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



Corporate Culture

Corporate Vision
To become a **global leader**
in transportation and energy fields



Corporate Mission
Connecting the World
Through Better Mobility



Corporate Spirit
**Realistic, Respectful, Innovative
and Fruitful**





CRRC's Principles

Core Value: Walking the Righteous Path with the Righteous Mind and Doing Good Deeds with Good Intention

Workplace Atmosphere: Positive and Harmonious, Simple and Candid, Open and Inclusive

Working Style: Proactive Accountability, Immediate Action and Excellence in Execution

Twelve Application Philosophies

Industrial Philosophy: Concentric Diversification, Serving the Nation with Industrial Prosperity

Work Philosophy: Joyful Work, Fulfilling Life

Talent Philosophy: Expertise, Contribution

Reform Philosophy: Innovation-Driven Evolution, Pioneering Leadership

Marketing Philosophy: Customer-Centric Commitment, Integrity-Based Relationships

R&D Philosophy: Open Collaboration, Self-Empowered Innovation

Manufacturing Philosophy: Precision Execution, Smart Manufacturing Excellence

Quality Philosophy: Quality Excellence, Customer Satisfaction

Safety Philosophy: Professional Prevention, Systematic Risk Prevention

Service Philosophy: Personalised Solutions, Rapid Operational Efficiency

Risk Control Philosophy: Accountability Reinforcement, Expediting Sustainable Growth

Party-Building Philosophy: Ideological Cultivation, Deep Integration



Important Notice

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

II. WHETHER THE COMPANY WAS NOT PROFIT-MAKING AT LISTING AND HAS NOT ACHIEVED PROFITABILITY

☐ Yes ☒ No

III. WARNING OF SIGNIFICANT RISKS

For the description of relevant risks, please refer to "Report of the Directors" of this report.

IV. INFORMATION OF THE ABSENT DIRECTOR

Position of the absent Director	Name of the absent Director	Reason for absence	Name of proxy
Director	Xu Shaolong	Important business commitments	Li Donglin

V. KPMG HUAZHEN LLP HAS ISSUED A STANDARD UNQUALIFIED AUDIT REPORT TO THE COMPANY.

VI. 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 THE ANNUAL REPORT.

VII. 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 RMB6.80 (tax inclusive) for every ten Shares, i.e. RMB0.68 (tax inclusive) for each share held by Shareholders, totaling RMB923,211,868.16 (tax inclusive) based on the total share capital of the Company of 1,357,948,412 (including 868,907,512 A Shares and 489,040,900 H Shares) as at 28 February 2026, and deducting the 283,900 H Shares repurchased pending cancellation, being 1,357,664,512 Shares (including 868,907,512 A Shares and 488,757,000 H Shares). Total cash dividend of the Company for 2025 (including 2025 interim cash dividend already paid) amounted to RMB1,520,709,169.44 (tax inclusive). The 2025 dividend of the Company accounted for approximately 37.12% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for 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 amount 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 24th meeting of the seventh session of the Board, and is subject to consideration and approval at the 2025 annual general meeting of the Company.

Whether the parent company has unrecovered losses

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

IX. 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 the investment risks.

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

No

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

No

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

No

XIII. OTHERS

☐Applicable ☒Not applicable

XIV. UNLESS OTHERWISE INDICATED, RENMINBI IS THE REPORTING CURRENCY IN THIS REPORT.





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Notes:

1. Financial information in this annual report has been presented based on the PRC Accounting Standards.
2. This annual report is prepared in both Chinese and English. In case of any inconsistencies, the former shall prevail.
3. Figures contained in this annual 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, if any, is a result of rounding.



Results Highlights

Revenue
RMB



2025:
28,702,700,063
2024:
24,908,937,548
+15.23%

Net profit
RMB



2025:
4,309,063,789
2024:
3,948,755,845
+9.12%

Net profit attributable to
shareholders of the parent
RMB



2025:
4,096,540,421
2024:
3,702,585,914
+10.64%

Basic earnings per share
RMB/share



2025:
2.99
2024:
2.62
+14.12%

Total assets
RMB



As at 31 December 2025:
72,084,237,098
As at 31 December 2024:
64,802,246,319
+11.24%

Total liabilities
RMB



As at 31 December 2025:
26,159,454,776
As at 31 December 2024:
20,039,828,511
+30.54%

Total equity
RMB



As at 31 December 2025:
45,924,782,322
As at 31 December 2024:
44,762,417,808
+2.60%

Equity attributable
to shareholders of the parent
RMB



As at 31 December 2025:
42,486,863,432
As at 31 December 2024:
41,527,759,522
+2.31%

Shareholders' equity per share
RMB/share



As at 31 December 2025:
31.29
As at 31 December 2024:
29.52
+6.00%

Five-year Financial Summary

CONSOLIDATED INCOME STATEMENT

Unit: Yuan Currency: RMB

Item	2025	2024	2023	2022	2021
Revenue	28,702,700,063	24,908,937,548	21,962,105,911	18,126,119,334	15,121,167,406
Operating costs	19,106,801,504	16,818,295,341	15,679,772,110	12,228,762,352	10,019,418,812
Taxes and surcharges	195,139,917	161,453,637	122,638,826	116,305,907	116,396,054
Selling expenses	586,917,932	589,179,188	490,653,649	1,101,990,835	1,050,331,762
Administrative expenses	1,227,083,317	1,168,944,671	1,065,949,593	886,668,722	813,021,020
Research and development expenses	3,011,318,327	2,656,671,063	2,062,404,741	1,773,978,960	1,690,047,967
Financial expenses	-280,757,617	-146,227,486	-258,164,800	-190,908,791	-73,805,176
Other income	476,062,137	925,718,560	661,174,414	572,207,370	533,085,368
Investment income	-6,536,615	28,298,447	57,177,847	-41,999,539	33,608,925
Gains (losses) from changes in fair value	6,988,124	43,848,229	74,602,203	166,033,744	71,130,766
Credit impairment gains (losses)	-319,179,854	-307,061,034	-260,195,554	-65,218,091	121,825,631
Asset impairment gains (losses)	-166,308,876	-88,368,856	-81,938,139	76,503,578	-161,869,899
Gains (losses) from asset disposals	-1,080,488	22,949,946	2,778,146	4,077,357	-2,072,439
Operating profit	4,846,141,111	4,286,006,426	3,252,450,709	2,920,925,768	2,101,465,319
Non-operating income	45,644,214	47,860,241	43,291,051	11,348,935	24,630,560
Non-operating expenses	18,142,406	17,272,734	1,093,984	1,096,078	3,012,417
Profit before income tax	4,873,642,919	4,316,593,933	3,294,647,776	2,931,178,625	2,123,083,462
Income tax expenses	564,579,130	367,838,088	209,497,353	349,575,746	88,476,513
Net profit	4,309,063,789	3,948,755,845	3,085,150,423	2,581,602,879	2,034,606,949
Net profit attributable to shareholders of the Company	4,096,540,421	3,702,585,914	3,040,760,113	2,545,453,427	2,017,694,796
Net profit attributable to non-controlling interests	212,523,368	246,169,931	44,390,310	36,149,452	16,912,153
Basic earnings per share	2.99	2.62	2.15	1.80	1.63
Diluted earnings per share	2.99	2.62	2.15	1.80	1.63

CONSOLIDATED BALANCE SHEET

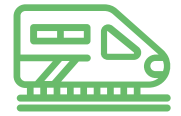
Unit: Yuan Currency: RMB

Item	2025	2024	2023	2022	2021
Total assets	72,084,237,098	64,802,246,319	53,778,787,056	48,841,569,670	44,150,745,227
Total liabilities	26,159,454,776	20,039,828,511	15,930,081,855	13,349,530,890	10,858,100,789
Total equity	45,924,782,322	44,762,417,808	37,848,705,201	35,492,038,780	33,292,644,438

Note: 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.



CHAIRMAN'S STATEMENT



Chairman's Statement



Dear Investors,

Best greetings!

On behalf of the Board of Directors, I hereby present to you the 2025 annual report of the Company, and would like to extend my sincere gratitude to all our partners for their long-term support and concern about our development.

The year of 2025 marked the final year of the “14th Five-Year” Plan period as well as the 20th anniversary of Times Electric. Throughout the year, Times Electric forged ahead with fortitude and determination. We earnestly implemented national strategies and the management requirements of the Board, stayed committed to innovation-driven development, and overcame various difficulties amid fierce market competition to achieve steady progress. With the sound decision-making of the Board and the concerted efforts of all employees, the Company stayed focused on both the transportation and energy sectors, and pursued high-quality development as its core theme. The Company achieved another record high in operating performance, successfully delivering a satisfactory closing performance for the “14th Five-Year” Plan period.

- (I) Adhering to the coordinated advancement of businesses and achieving parallel development across the six segments. Based on the dual strategic tracks of transportation and energy, the Company adhered to concentric diversification with concerted efforts, deepened collaborative growth, and significantly improved operational quality and efficiency. The rail transit sector served as the cornerstone for stability, with the market share of traction systems maintaining a leading position, and the industrial standing of power supply, signaling, door systems and other businesses steadily enhanced. Semiconductors, automotive equipment, new energy power generation, marine equipment, industrial equipment and other strategic emerging sectors gathered momentum for breakthroughs and achieved simultaneous improvement in both scale and quality. The construction of the factory building and the installation of the first-phase equipment for the Zhuzhou Phase III semiconductor project were completed, realising smooth tape-out and production. The Indonesia base of CRRC Electric Drive was completed and put into operation, marking the first step in the Company's overseas layout.

- (II) Adhering to the guidance of scientific and technological innovation, and significantly strengthening technical strength. The Company deeply integrated scientific and technological innovation with industrial innovation, and comprehensively consolidated its leading technological edge. It established a full-operating-condition high-fault-tolerance system for permanent magnet traction systems, developed 400kW+ PV inverters using hybrid SiC three-level topology, finished the R&D of the fifth-generation pure electric high-voltage SiC all-in-one electric drive platform, and achieved breakthroughs in fourth-generation trench-gate SiC MOSFET chips, ETCS multi-system integrated switching and other technologies. The six industrial segments maintained their leading technological positions.
- (III) Adhering to refined management for quality improvement and fully embracing the intelligent transformation. The Company continuously deepened the application of digital and intelligent technologies, providing solid support for higher quality and efficiency in industrial operations. It fully promoted the operation cockpit, establishing a transparent, efficient and coordinated decision-making and command system. It deepened the data integration of the LTC process, achieving steady progress in capital collection efficiency. The restructuring of the core ITR process delivered prominent effects and enhanced the efficiency of on-site fault data collection. The Company promoted the QMS quality management system, consolidating the quality control foundation of all subsidiaries. It established a new collaborative paradigm for treasury, business and finance, driving the deep integration of fund management and business operations. Eleven AI application scenarios were implemented, ushering in a new stage of intelligent business development.
- (IV) Adhering to reform for empowered development and steadily strengthening core competencies. The Company acted in strict accordance with the "Three Inspirations, Three Efficiencies, and Three Capabilities" requirements of CRRC Group, and advanced corporate reforms in a thorough and pragmatic manner. It was once again awarded the highest "Benchmark" rating among "Science Reform Enterprises" by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, and retained the top benchmark title among CRRC Group's "Science Reform Enterprises". Times Electric Semiconductor completed the joint-stock system reform; CRRC Electric Drive made substantial progress in the pilot program for the empowerment of scientific and technological achievements, and was selected as a "Qihang Enterprise" by SASAC.

We sail forward with momentum at this promising time, and draw a grand blueprint to open a new chapter. Building on a new historical starting point and embarking on a new journey of development, Times Electric will continue to align closely with national development strategies, fully implement the major strategies of building "a strong transportation country", "a strong marine country", and "a strong manufacturing country", and fully leverage the three key roles of state-owned enterprises in technological innovation, industrial control, and security support. We will continuously enhance our core competitiveness and core functions, fully release the synergy of the six industrial sectors, and strive to compose a new chapter of high-quality development during the "15th Five-Year" Plan period.

The year of 2026 marks the inaugural year of the "15th Five-Year" Plan. We will stay unwaveringly committed to the central task of pursuing high-quality development, adhering to the guiding principles of Party building leadership, reform-driven empowerment, innovation-led growth, quality first, and intelligent transformation. We will further explore new scenarios and markets for our advantageous industries, focus on enhancing profitability in our growing industries, and continue building a "Times Electric of Four Higher Standards".

Li Donglin

Chairman

Zhuzhou, Hunan, the PRC

27 March 2026



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 office of the Company	Times Road, Shifeng District, Zhuzhou
Previous change of registered office 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

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	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. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers and websites designated by the Company for disclosure of annual reports	Shanghai Securities News (www.cnstock.com), China Securities Journal (www.cs.com.cn), Securities Times (www.stcn.com) and Securities Daily (www.zqrb.cn)
Website designated by the stock exchange for disclosure of annual reports of the Company	www.sse.com.cn
Place where the annual reports of the Company are available	Board Office of Zhuzhou CRRC Times Electric Co., Ltd. at Times Road, Shifeng District, Zhuzhou

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 share	Place of listing and market	Stock abbreviation	Stock code	Stock abbreviation before change
A shares	Science and Technology Innovation Board of the SSE	Times Electric	688187	Not applicable
H shares	Stock Exchange Main Board	Times Electric	3898	CRRC Times Elec

(II) Basic Information of Depositary Receipts of the Company

☐ Applicable ☒ Not applicable

V. OTHER RELEVANT INFORMATION

Accountant engaged by the Company (onshore)	Name	KPMG HUAZHEN LLP
	Office address	8th Floor, East Block 2 Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing
	Name of signing accountants	Zhang Huan, Shao Siqi
Sponsor institution performing the duty of continuous supervision during the reporting period	Name	China International Capital Corporation Limited
	Office address	27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing
	Name of signing sponsor representatives	Li Xin, Feng Xiaohan ^{Note}
	Term of continuous supervision	Since the date of the Company's A-share listing up to 31 December 2024. China International Capital Corporation Limited has continued to fulfill its ongoing supervisory obligations in relation to relevant matters as the Company had not yet fully utilised the proceeds from the initial public issue upon the expiry of the aforementioned period.

Note: Mr. Liao Hanqing ceased to serve as the sponsor representative for the Company's ongoing supervisory work due to personal work rearrangements. To ensure the orderly conduct of the ongoing supervisory work, China International Capital Corporation Limited has appointed Ms. Feng Xiaohan to replace Mr. Liao Hanqing as the sponsor representative to perform the sponsorship duties during the ongoing supervision period. For details, please refer to the "Announcement on Change of Sponsor Representative for Ongoing Supervision by Zhuzhou CRRC Times Electric Co., Ltd." (Announcement No.: 2025-045) disclosed by the Company on the website of the SSE on 19 December 2025.



Corporate Profile and Key Financial Indicators

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

(I) Key Accounting Data

Unit: Yuan Currency: RMB

Key Accounting Data	2025	2024	Increase/ decrease from the corresponding period of last year (%)	2023	
				After adjustment	Before adjustment
Revenue	28,702,700,063	24,908,937,548	15.23	21,962,105,911	21,798,940,776
Total profit	4,873,642,919	4,316,593,933	12.90	3,294,647,776	3,359,591,308
Net profit attributable to shareholders of the listed company	4,096,540,421	3,702,585,914	10.64	3,040,760,113	3,105,703,645
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	3,899,964,454	3,225,597,847	20.91	2,595,354,689	2,595,354,684
Net cash flow from operating activities	3,964,724,300	3,361,120,915	17.96	2,767,580,144	2,781,885,557

	As at the end of 2025	As at the end of 2024	Increase/decrease from the end of last year (%)	As at the end of 2023	
				After adjustment	Before adjustment
Net assets attributable to shareholders of the listed company	42,486,863,432	41,527,759,522	2.31	36,998,130,898	36,865,956,579
Total assets	72,084,237,098	64,802,246,319	11.24	53,778,787,056	53,404,847,387

Corporate Profile and Key Financial Indicators

(II) Key Financial Indicators

Key financial indicators	2025	2024	Increase/ decrease from the corresponding period of last year (%)	2023	
				After adjustment	Before adjustment
Basic earnings per share (RMB/share)	2.99	2.62	14.12	2.15	2.19
Diluted earnings per share (RMB/share)	2.99	2.62	14.12	2.15	2.19
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	2.85	2.28	25.00	1.83	1.83
Weighted average rate of return on net assets (%)	9.81	9.31	Increased by 0.50 percentage point	8.48	8.70
Weighted average rate of return on net assets after deduction of non-recurring profit or loss (%)	9.34	8.11	Increased by 1.23 percentage points	7.35	7.27
R&D investment as a percentage of revenue (%)	11.07	11.41	Decreased by 0.34 percentage point	9.96	9.84

Explanation of key accounting data and financial indicators of the Company in the past three years as at the end of the reporting period

✓Applicable ☐Not applicable

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.



Corporate Profile and Key Financial Indicators

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

(I) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards

☐Applicable ☒Not applicable

(II) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards

☐Applicable ☒Not applicable

(III) Explanation of differences between domestic and overseas accounting standards:

☐Applicable ☒Not applicable

VIII. MAIN QUARTERLY FINANCIAL DATA FOR 2025

Unit: Yuan Currency: RMB

	The first quarter (January to March)	The second quarter (April to June)	The third quarter (July to September)	The fourth quarter (October to December)
Revenue	4,536,728,879	7,677,242,723	6,616,119,109	9,872,609,352
Net profit attributable to shareholders of the listed company	631,266,879	1,040,234,975	1,048,996,114	1,376,042,453
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	597,096,663	990,816,783	1,025,631,731	1,286,419,277
Net cash flow from operating activities	54,459,641	1,824,956,732	237,541,628	1,847,766,299

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

☐Applicable ☒Not applicable

Corporate Profile and Key Financial Indicators

IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amounts of 2025	Notes (if applicable)	Amounts of 2024	Amounts of 2023
Profit and loss on disposal of non-current assets (including the part of assets impairment provision already made and written off)	-1,080,488	/	22,949,946	26,630,703
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 continuously based on a fixed amount and have a lasting impact on the Company's profit and loss)	220,020,110	/	593,927,636	391,077,595
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	6,172,167	/	86,249,997	138,058,062
Reversal of the impairment provision for receivables which are tested individually for impairment	11,621,146	/	1,624,590	4,232,453
Net current profit or loss of subsidiaries acquired through business combination under common control from the beginning of the period to the date of consolidation	-	/	-95,649,424	-64,943,537
Profit or loss from debt restructuring	-3,446,989	/	-898,131	-
Other non-operating income and expenses apart from the aforesaid items	27,501,808	/	30,117,729	42,162,259
Less: Effect of income tax	38,090,174		111,312,624	80,043,792
Effect of non-controlling interests (after tax)	26,121,613		50,021,652	11,768,319
Total	196,575,967		476,988,067	445,405,424

Explanations should be stated where the Company identifies 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 and loss items with significant amounts, or defines non-recurring profit and loss items 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 and loss items.

☐ Applicable ☒ Not applicable



Corporate Profile and Key Financial Indicators

X. COMPANIES WITH SHARE INCENTIVE OR EMPLOYEE SHAREHOLDING SCHEMES MAY CHOOSE TO DISCLOSE NET PROFIT EXCLUDING THE EFFECT OF SHARE-BASED PAYMENTS

☐ Applicable ☒ Not applicable

XI. 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	4,309,063,789	3,948,755,845
Adjustment item: Interest expenses	26,238,709	39,387,935
Adjustment item: Income tax expense	564,579,130	367,838,088
Adjustment item: Depreciation charge	1,290,699,488	968,212,069
Adjustment item: Amortisation charge	263,160,732	266,689,096
Non-enterprise accounting standards financial indicator: EBITDA	6,453,741,848	5,590,883,033

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 RMB6,453.74 million (RMB5,590.88 million in the same period of last year), a year-on-year increase of 15.43%, mainly due to the growth of the Company's revenue, which led to the growth of total profit.

Corporate Profile and Key Financial Indicators

XII. ITEMS MEASURED AT FAIR VALUE

✓Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Current change	Amount of impact on current profit
Held-for-trading financial assets (structured deposit)	3,533,861,455	1,000,300,274	-2,533,561,181	6,172,167
Bills receivable measured at fair value	1,286,784,981	2,261,951,533	975,166,552	–
Trade receivables measured at fair value – Yunxin	2,534,918,377	1,431,402,947	-1,103,515,430	–
Other equity instrument investments	266,823,520	285,062,700	18,239,180	17,898,696
Total	<u>7,622,388,333</u>	<u>4,978,717,454</u>	<u>-2,643,670,879</u>	<u>24,070,863</u>

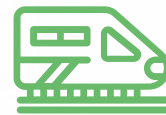
XIII. EXPLANATION OF DELAYED OR EXEMPTED INFORMATION DISCLOSURE FOR STATE AND COMMERCIAL SECRET REASONS

✓Applicable ☐Not applicable

In accordance with the relevant provisions of the Self-Regulatory Guidelines for Listed Companies on the STAR Market of the SSE No. 1 – Standard Operations and the Company's Management System for the Deferral and Waiver of Information Disclosure, the specific names of certain customers and suppliers are not disclosed to protect the Company's trade secrets.



REPORT OF THE DIRECTORS





Report of the Directors

I. THE COMPANY'S PRINCIPAL BUSINESS, OPERATING MODELS, AND INDUSTRY LANDSCAPE DURING THE REPORTING PERIOD

(I) Principal Business and Major Products or Services

As a pioneer and leader in China's electrified railway equipment industry, the Company has carried the mission and responsibility of revitalising the high-end equipment sector for over 60 years. Dedicated to the independent R&D and industrialisation of traction drive and control systems, widely recognised as the "heart" and "brain" of trains, it continues to lead the domestic market for rail transit electrical systems.

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 semiconductors, automobile, new energy, marine and industrial operations. After years of R&D efforts and technology accumulation, the Company has developed a completely independent intellectual property right 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, new energy vehicle electric drive system technology, and sensor technology.

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

Information about significant new non-core businesses

☐ Applicable ☒ Not applicable

(II) Major Operating Models

In terms of procurement mode, the Company adopts the model of "unified management, professional centralised management and separation of procurement duties", establishes a unified set of measures, methods and procedures for procurement, performs centralised procurement and promotes a unified procurement platform, so as to ensure procurement quality, reduce costs and increase efficiency.

In terms of production model, the Company adopts the planning management model of determining production by sales. Under this model, the Company formulates sales plans according to sales orders and previous sales results, maintains a safety inventory based on daily demand assessment and coordination of production, supply and sales, and then determines the production plan. Based on the principle of "lean, efficient and dynamic management and comprehensive balance", the Company has built an integrated, flexible, efficient and intelligent production planning system suitable for its development.

In terms of service model, the Company has established a global after-sales service network covering key customers, key regions and key products. With a three-level service management model underpinned by “service headquarters, service areas, and service stations”, coupled with a three-tier technical support system consisting of “R&D technology – headquarters technology – field technology”, the Company promptly responds to customer needs and ensures that customers can obtain after-sales services, technical support, quality feedback and complaint consultation at any time.

In terms of sales model, the Company obtains orders through market-oriented public bidding, competitive negotiation, single-source procurement by customers, and customer inquiry, and produces and sells products according to customer needs. Currently, the Company mainly adopts the direct sales model to sell products.

In terms of R&D model, the Company adheres to a “strategy-driven” and “market-oriented” approach (two-wheel drive), and determines research projects and carries out scientific research work from the perspectives of strategy and market. By introducing the concept of IPD and project triangle, the Company extends technology innovation to market research and product planning and to the life cycle management of mass-produced products, thus realising the whole process management of products from strategic planning, scientific research and development to commercialisation.

(III) Industry Landscape

1. Development stage, basic characteristics, and main technical barriers of the industry

The Company is mainly engaged in the R&D, design, manufacturing and sales of rail transit equipment products and the provision of related services. According to the National Economic Industry Classification (GB/T4754-2017) of the National Bureau of Statistics, the Company belongs to the “C37 railway, shipbuilding, aerospace and other transportation equipment manufacturing industry”; according to the Classification of Strategic Emerging Industries (2018) (NBS Order No. 23) issued by the National Bureau of Statistics, the Company belongs to the “2.4 Rail transit equipment industry of 2. High-end equipment manufacturing industry”. The Company’s rail transit equipment mainly includes rail transit electrical equipment, rail engineering machinery and communication signal systems, which belong to the respective sub-sectors under “2.4 Rail transit equipment industry of 2. High-end equipment manufacturing industry” as set out in the Classification of Strategic Emerging Industries (2018).

The Company’s emerging equipment products are primarily applied in semiconductor, automobile, new energy, marine and industrial fields, some of which are used in the field of rail transit.

In the rail transit equipment industry which is characterised by high core technology barriers, customers have very high requirements for safety, reliability and sustainability of products and services provided, and enterprises need to have strong anti-risk capabilities. Driven by core technologies, the Company will continue to innovate and develop smarter and greener high-end equipment based on such application scenarios as railways, urban rail transit, new energy vehicles, new energy power generation, deep-sea equipment, mining, ports, metallurgy and vessels. After years of accumulation, the Company’s self-developed core technologies and multidisciplinary professional capabilities spanning from components to complete machines represent the main barriers for the rail transit industry and high-end industrial equipment industry.



Report of the Directors

2. Analysis of the Company's industry position and its changes

In the rail transit sector, the Company is a leading supplier of traction converter systems in China's rail transit industry, capable of producing systems covering a wide range of vehicle types, including high-speed trains, locomotives, and urban rail vehicles. The Company's traction converter systems feature a comprehensive product portfolio and hold a dominant market share. Its traction converter systems for high-speed railways and locomotives are widely applied in core vehicle models such as the Fuxing and Hexie series, consistently leading the domestic market for many years. According to public information such as market bidding statistics, the Company's urban rail traction converter system has ranked first in domestic market share for fourteen consecutive years, from 2012 to 2025. 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 73 administrative licenses, it can produce more than 50 kinds of products in multiple series, including heavy-duty railway vehicles, catenary vehicles, large road maintenance machinery, and urban rail transit engineering vehicles, and continuously expands to the passenger line and urban rail markets.

Driven by technological R&D as its core competency, the Company adheres to a "concentric diversification" strategy. While consolidating and advancing its rail transit equipment business, it actively expands into emerging equipment sectors beyond rail transit to create new growth drivers. In the semiconductor field, the Company began its R&D and industrialisation of power semiconductor technology in 1964. Through sustained investment and platform upgrades, it has emerged as a representative IDM player mastering technologies in high-power thyristors, IGBTs, IGCTs, SiC devices, and their corresponding modules. It boasts a complete industrial chain encompassing chips, modules, devices, and systems, and has established industrialisation bases for 6-inch bipolar devices, 8-inch IGBTs, and 8-inch SiC devices. The Company's full series of high-reliability IGBT products has broken the monopoly of foreign enterprises in core components for rail transit and UHV transmission. It holds a leading domestic market share in high-power modules for rail transit and smart grids. In the automotive sector, according to NE Times, its power modules for passenger vehicles ranked second in the industry by installed capacity in 2025, capturing a 13.8% market share. In the new energy sector, the Company's products include photovoltaic inverters, energy storage converters, wind power converters, and IGBT hydrogen production power supplies. It is actively building a presence within the "wind-solar-storage-hydrogen" ecosystem, primarily centered around key state-owned enterprise groups including the "Big Five and Six Small" power groups, the "Two Grids and Two Construction" corporations, and the "Three Oil and Gas" giants. The Company has achieved sustained growth in both market share and new contracts signed for photovoltaic inverters, with annual bids approximating 18GW, ranking among the top in the domestic industry. Its wind and energy storage converter business is progressing rapidly, actively expanding its customer base. The IGBT hydrogen production power supply maintains a leading edge, holding the largest market share in China. In the automotive field, as the only central enterprise in the electric drive system sector, the Company possesses a complete industrial chain capability encompassing "key devices – core components – system integration". According to NE Times, its annual installed capacity of range-extender systems for new energy vehicles ranks among the top in the domestic market. Its sensing devices firmly hold the largest domestic market share in the rail transit sector and power sensors are also among the industry leaders in the new energy vehicle, wind power, and photovoltaic sectors. In the marine field, the Company entered the "deep blue" sector in 2015 by acquiring SMD Ltd., the world's second-largest designer and manufacturer of deep-sea robotics. This move filled a gap in China's domestic deep-sea robotics industry. Products such as underwater trenching robots and remotely operated vehicles (ROVs) now account for half of the global market in the field of self-propelled underwater trenching and cable laying engineering machinery. In the industrial field, the Company holds a leading position in niche areas such as electric drives for mining trucks, air conditioner inverters, and metal rolling mills.

The Company will constantly improve user experience and strengthen differentiated competitive advantages based on customer needs. Through continuous innovation in business, technology and management, the Company seeks to provide intelligent, safe, green and comfortable high-end equipment for the society, and become a preferred supplier of integrated electrical system solutions in the transportation and energy fields.

3. Development of new technologies, new industries, new business types and new models during the reporting period and their future development trends

From an international perspective, the once-in-a-century global transformation is unfolding at an accelerated pace, and a new round of scientific and technological revolution and industrial transformation is advancing deeply. Geopolitical competition across the globe has intensified, unilateralism and trade barriers are on the rise, and the external environment has become significantly more unstable and uncertain. Amid such shifts, the Belt and Road Initiative and regional cooperation mechanisms such as RCEP continue to deepen, providing a new platform for Chinese enterprises to “go global” and opening up critical strategic opportunities for the Company to further expand its international presence in the rail transit and new energy sectors.

From a domestic perspective, the Fourth Plenary Session of the 20th CPC Central Committee explicitly called for “accelerating the development of new productive forces” and “building a new type of whole-nation system”, providing clear guidance for industrial upgrading and the development of a modern industrial system. The nation has fully implemented the strategy of expanding domestic demand and fostered a new development pattern of “dual circulation”, while continuously strengthening policy support for strategic emerging industries, the digital economy, green and low-carbon development, and smart manufacturing. This has provided solid policy support and broad development space for the Company to sustain investment and further strengthen its core sectors, including rail transit equipment, new energy equipment and power semiconductors.

Global economic growth momentum has weakened, the international economic and trade order has been disrupted, external demand recovery remains sluggish, and instability and vulnerability have become increasingly prominent. Nevertheless, China’s economy boasts strong resilience, great potential and ample vitality, and its long-term positive fundamentals remain unchanged. The Fourth Plenary Session of the 20th CPC Central Committee stressed the need to “sustain the upward momentum of economic recovery”. By adopting a package of policies including expanding effective investment, promoting industrial structure upgrading, deepening the energy revolution and strengthening scientific and technological supply, the state has injected strong new impetus into high-end equipment, green industries and smart manufacturing.

China’s ultra-large market advantage, complete industrial system, growing innovation capacity and abundant talent dividend have created favorable conditions for the Company to expand its market share and enhance the security level of the industrial chain in strategic sectors including rail transit, new energy and power semiconductors. Meanwhile, amid the energy revolution, the development of a new-type power system and the restructuring of the global industrial chain, the industries in which the Company operates will maintain a medium-to-long-term growth trend, laying a solid economic foundation for the Company’s high-quality development.

At present, the new round of scientific and technological revolution and industrial transformation is accelerating. Digitalisation, intelligentisation and greening have become the main themes of industrial upgrading. The deep integration of artificial intelligence, big data, cloud computing, 5G/6G with power semiconductors and new energy technologies is reshaping the technological foundation and competitive landscape of the equipment manufacturing industry. The Fourth Plenary Session of the 20th CPC Central Committee emphasised “driving industrial innovation through scientific and technological innovation” and “breaking through key core technologies”, which has charted the strategic course for the Company to enhance its capacity for self-reliance and self-improvement in science and technology in such fields as power semiconductors, new energy equipment, intelligent traction and control, AI manufacturing and digital twins.



Report of the Directors

II. DISCUSSION AND ANALYSIS OF OPERATIONS

China's railway construction achieved remarkable results in 2025. According to data released by China State Railway Group, China's railway fixed-asset investment reached RMB901.5 billion in 2025, representing a year-on-year increase of 5.98% and hitting a new record high. By the end of 2025, the national railway operating length stood at 165,000 kilometers, including 50,400 kilometers of high-speed railways. Urban rail transit construction maintained steady development. According to statistics from the China Urban Rail Transit Association, by the end of 2025, a total of 382 urban rail transit lines had been put into operation in 58 cities nationwide, with an operating length of 13,071.58 kilometers. Guided by the goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, China's new energy industry has accelerated its development. In particular, data from the China Association of Automobile Manufacturers showed that in 2025, the production and sales of new energy vehicles in China reached 16.626 million units and 16.49 million units respectively, up 29% and 28.2% year on year. China ranked first in the world for 11 consecutive years. The penetration rate of new energy vehicles further rose to 52.3% in December and 47.9% for the whole year. Data from the National Energy Administration showed that China's total installed power generation capacity reached 3.89 billion kilowatts by the end of 2025, representing a year-on-year increase of 16.1%, including 1.20 billion kilowatts of solar power installed capacity, up 35.4% year on year, and 640 million kilowatts of wind power installed capacity, up 22.9% year on year. Adhering to high-quality development as its core guideline, the Company has prioritised the enhancement of profitability as the central objective of its annual operation and management. With dedication and enterprise, all employees have united to effectively respond to external challenges, while continuously optimising its business layout and promoting the balanced and phased development of its six industrial sectors, advancing the construction of a "CRRC with Four Higher Standards". In 2025, the Company achieved steady growth in operating performance and continuous improvement in key indicators, delivering a solid and remarkable annual performance.

(I) Breakthroughs in Rail Transit Business

Taking advantage of the growth in railway investment by China State Railway Group, the Company continued to deliver EMUs and locomotives, maintaining a stable market position. It helped the CR450 EMU prototype achieve a cumulative fault-free operation of over 360,000 kilometers, setting a new record of a single-train speed of 453 km/h and a relative meeting speed of 896 km/h. The Company conquered the complete set of technologies for the flexible through-phase power supply system, completed China's first demonstration project of the "grid-source-storage-vehicle" coordinated energy supply system for heavy-haul railways, and realised the first commercial application of permanent magnet traction technology in China's high-power new energy locomotive field, providing a brand-new solution for the green and low-carbon transformation of heavy-haul transportation scenarios. According to statistics from RT Rail Transit Network, the Company's domestic market share of urban rail traction systems was 60.92% in 2025, leading the industry for 14 consecutive years. Maintenance revenue maintained steady growth; in overseas business, the Company won multiple projects in Asia, the Americas and other regions. In terms of rail engineering machinery, the first batch of rail engineering vehicles meeting European standards was officially delivered. The communication and signaling business made steady progress: Ningbo Line 8 was put into operation in June, marking the landing of the first independent FAO application demonstration project; Hefei Line 6 was put into trial operation in December, further verifying the Company's professional capabilities as a systematic solution provider for the seamless split transformation and integration of fully independent FAO. In addition, the power supply system won Chongqing Line 27, China's first general contracting project for power supply system engineering, and the platform door business ranked among the top 3 domestically in the industry.

(II) Seize Development Opportunities in Emerging Equipment Industry to Rapidly Strengthen and Improve our Business

Semiconductor Segment: The Company maintained a leading market share in IGBT module deliveries in the rail transit and power grid sectors, ranking first domestically. Its applications in the new energy market continued to expand. According to statistics from NE Times, the Company's installed capacity of power modules for new energy passenger vehicles reached 2.6076 million sets in 2025, with a market share of approximately 13.8%, ranking second only to BYD. The shipment volume of IGBT modules in the new energy power generation market grew rapidly. In addition to domestic business, overseas revenue increased significantly. The Yixing IGBT production line successfully reached full production capacity, and the Zhuzhou SiC production line was put into operation smoothly. The Company made breakthroughs in the fourth-generation trench-gate SiC MOSFET chip technology. Furthermore, the sensor business in new energy sector stabilised and trended upwards, with a substantial increase in delivery volume.

Automotive Segment: Sales of electric drive systems for new energy passenger vehicles continued to rise throughout the year. According to NE Times statistics, the Company's installed volume of stators for new energy vehicle electric drive systems reached 571,500 units in 2025, ranking 9th. The installed volume of electronic control units reached 689,100 units, ranking 6th. The Company secured designated projects for 40 new models. Its first overseas project, the Indonesia base, was completed and put into operation. The Company also completed the development of its 5th-generation high-voltage SiC all-in-one electric drive product platform for battery electric vehicles.

New Energy Segment: The Company launched its new-generation 2000V/400kW+ string PV inverter "Chixiao" and a new-generation energy storage converter "Yunshu" with a single unit capacity of 3.45MW. Its PV inverter business won approximately 18GW of domestic bids, ranking among the industry leaders. New orders for wind power converters and energy storage converters grew substantially. The Company maintained a leading domestic market share in IGBT-based hydrogen generation power supplies.

Marine Segment: Marine equipment business leveraged synergies across three regional markets, leading to record highs both in revenue and orders. The world's first underwater heavy-duty electric ROV was commercially delivered, and the largest domestically manufactured shaft-driven frequency converter in the world was installed and applied on vessels.

Industrial Segment: The Company won bulk orders for mining truck electric drive system, consolidating our market position; ensured continuous delivery of central air conditioner converters and medium-voltage rolling mill drive systems, steadily enhancing our position in the industry.

Looking ahead, we will fully leverage our industrial strengths, continuously strengthen our core competitiveness, and consolidate and enhance our standing in the industry. Concurrently, we will accelerate innovation-driven development and business optimisation, strive to achieve high-quality and sustainable growth, and deliver greater value for all shareholders.

Analysis and prospect of change in financial indicators of Non-enterprise Accounting Standards

☐ Applicable ☒ Not applicable



Report of the Directors

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 2025, the Company's high-speed railway and locomotive traction converter systems had led the domestic market for consecutive years. In the urban rail sector, among the 4,248 metro cars' traction converter systems awarded through public bidding in 2025, the Company won bids for 2,588 cars, accounting for 60.92%. It has ranked first in domestic market share for 14 consecutive years from 2012 to 2025. (Source: RT Rail Transit Network).

Furthermore, the Company rode on the opportunities in emerging equipment to make breakthroughs, ranking ahead in a range of sectors. Among them, the installed volume of power modules for passenger vehicles ranked second in the industry with a market share of 13.8% (Source: NE Times). The annual awarded volume of PV inverters approximated 18GW, ranking among the top in the domestic market. On new energy vehicle electric drive systems, the Company posted stable growth in installations for the year, ranking ahead in the domestic industry. On sensor devices for rail transit, the Company consistently ranked No. 1 in terms of domestic market share, while staying in the forefront across new energy vehicle, wind power and photovoltaic sectors.

2. *Innovation-driven technological capabilities*

The Company has continued to lead the domestic rail transit electrical system market in the independent R&D and industrialisation of traction drive and control systems, supporting China's strategic goals of the Belt and Road Initiative and "Going Global" of high-end equipment. In the new era of building a modern industrial system and accelerating the establishment of a new development pattern, the Company has firmly seized the historic development opportunities brought by the new round of scientific and technological revolution and industrial transformation, and advanced the development of strategic emerging industries in depth. It has become a leading domestic enterprise in the semiconductor sector. Its green equipment businesses including new energy power generation and new energy vehicles have entered the first echelon of the industry. As a state-owned enterprise, the Company has played a positive role in building a safe, stable, self-reliant and controllable industrial and supply chain.

The Company has 6 national-level technological innovation platforms, 13 provincial-level technological innovation platforms and 1 post-doctoral research station. In 2025, the Company filed 530 patents (including 430 invention patents) and was granted 404 patents (including 306 invention patents). It led the formulation of 87 standards and participated in the formulation of 122 standards. It newly obtained approval for 49 external projects and successfully took the lead in 1 national science and technology major project. It won 9 provincial- and industry-level science and technology awards. Its comprehensive scientific and technological innovation strength leads the industry.

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, 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 maintenance service, the Company established the “Greenshade Service (綠蔭服務)” brand in 2004 and registered the only “Greenshade (綠蔭)” after-sales service trademark for after-sale service in the domestic rail transit industry. Upholding the tenet of “fast, effective and satisfactory services”, the Company provides customers with around-the-clock, one-stop quality onsite service and continues to create value for customers. In addition, in line with strategic maintenance planning of State Railway Group 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.

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 “components + system + complete machine”. The Company’s main products include rail transit electrical equipment (primarily traction converter systems of rail transit vehicles), railway engineering machinery, communication signal systems, power semiconductors, 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.



Report of the Directors

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 4,560 R&D professionals, accounting for 42.43% of the total workforce. Nearly half (51.58%) 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 secretary to the Party committee, 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, Furong Talents Program (Hunan) Leading Talent in Scientific and Technological Innovation, 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.

(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 31 December 2025, the Company had 3,858 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	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



Report of the Directors

No.	Core technologies		Overview, advancedness and characteristics of technology
3	Converter and control technology	Overall converter technology	The Company has conquered key converter technologies centered on independently developed SiC power modules, ANPC three-level topology, intelligent liquid cooling, and grid-forming advanced control algorithms. Through high-power-density integrated design and multi-physics simulation optimization, the product power density has been significantly improved. Adopting the high-reliability standards and precision manufacturing system of high-speed rail traction systems, the Company ensures stable operation of its products in harsh environments. At present, the Company has established a serialized converter product platform covering high-power locomotives, high-speed EMUs and urban rail vehicles. It has extended this technological advantage to new energy sectors such as photovoltaic inverters and energy storage converters, providing critical support for the construction of a new-type power system
4		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		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		Power semiconductor device application technology	The Company has established full-chain independent R&D capabilities covering chip design, drive control, module packaging and system testing. In 2025, the Company's Zhuzhou Phase III 8-inch SiC production line was fully ramped up, further strengthening its device platform capability covering the full voltage range from 650V to 6500V. It can precisely meet the application requirements for high efficiency and high power density in rail transit, PV inverter, energy storage system, industrial drive and other scenarios. At present, CRRC Times Electric has become one of the very few power semiconductor suppliers in China that have achieved independent and controllable "chip-module-system" full industrial chain. Its technology platform continues to provide highly reliable core device support for rail transit, industrial drives and new energy equipment

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	The Company has mastered technologies featuring high safety, high real-time performance, high reliability, multi-network convergence and intelligent human-machine interaction in the field of train network control and diagnosis. It has developed the DTECS-1 network control platform adopting MVB/WTB technology, the DTECS-2/G universal chassis platform adopting real-time Ethernet technology, the DTECS-3 high-performance train control platform based on TSN (Time-Sensitive Networking), as well as a series of high-performance train display platforms, which have obtained functional and information security certifications. The Company has taken the lead in promoting the industrial application of new technologies and products such as TSN communication technology and multi-network convergence. Its products have been applied in large quantities to various types of vehicles including locomotives, EMUs and urban rail transit
9	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	General train coupling application technology	The Company has mastered the train reconnection control technology based on wireless communication networks such as radio, GSM-R, LTE private network and WIFI, solving problems such as difficulty in laying reconnection cables, loosening and aging, interface incompatibility, and differences in control characteristics in the flexible marshalling of locomotives and rolling stock, realizing multi-unit coordinated control of different types and positions, covering various marshalling modes such as 2+0, 3+0, 1+1, 2+2 and 1+1+1+1, which have been applied in batches to 10,000-ton and 20,000-ton heavy-haul combined trains, with AC-DC and internal electric mixed marshalling capabilities, forming long-distance and short-distance wireless reconnection control platforms and providing overall heavy-haul and flexible marshalling solutions



Report of the Directors

No.	Core technologies		Overview, advancedness and characteristics of technology
11	Railway engineering machinery technology	Railway engineering machinery system integration technology	The Company has established the full-vehicle R&D capability for rail engineering machinery including rail vehicles, catenary operation vehicles, grinding vehicles, flaw detection vehicles and rail replacement vehicles. It has built a professional complete vehicle and system product platform featuring rapid detection, efficient operation, new energy drive and multi-function integration, which has been applied in batches in the field of railway infrastructure maintenance equipment such as national railways and urban rail transit
12		Basic railway engineering machinery technology	The Company has formed three core technologies: carrying platform technology, support platform technology and operation technology. Carrying platform technology is the vehicle platform technology for rail engineering products, including: power transmission technology, car body technology, bogie technology, braking technology, electric transmission technology, travel control technology, etc.; support platform technology is the carrier for carrying construction operators, operation devices and machinery, mainly including platform structure design and lightweight technology, hydraulic technology, drive technology; operation technology is the core technology that responds to maintenance methods and supports the final execution mechanism, including catenary operation technology, grinding technology, flaw detection technology, rail replacement technology, sleeper replacement technology, inspection technology, ballast cleaning technology, tamping technology, rail welding technology, etc.
13		Power transmission technology for rail engineering machinery	The Company has mastered power transmission technologies such as internal combustion drive, electric drive and hybrid drive. The developed internal combustion drive, electric drive and hybrid system products have been applied in batches to rail engineering machinery such as railway dual-power grinding vehicles, metro dual-power grinding vehicles, heavy-duty rail vehicles, tractors and catenary operation vehicles. The developed permanent magnet traction platform for rail engineering has been applied to tamping stabilizers, switch tamping vehicles and other models, realizing for the first time in China ultra-low constant speed and stepping electric drive for tamping operation
14		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, automatic tamping pin alignment technology for turnouts, comprehensive inspection technology for lines and tunnels, and expert diagnosis technology, and built a distributed digital network control platform for large road maintenance machinery

No.	Core technologies	Overview, advancedness and characteristics of technology
15	Power semiconductor IGBT chip technology	The Company has mastered key process technologies such as sub-micron fine lithography, IGBT terminal sinking, and etch-resistant composite mask, and combined with automatic response manufacturing based on production line big data analysis and feedback to optimize the uniformity of fine feature size lithography and etching, integrated alignment mark structures with high-contrast film layers and sidewall protection to further improve feature size alignment deviation, broke through 750V ultra-fine 1um pitch IGBT cell technology, high-voltage fine trench gate IGBT cell technology, 185℃ high operating junction temperature and low leakage terminal technology, and realized its soft recovery and low loss characteristics through precise design of the carrier concentration distribution of FRD from anode to cathode and other power chip structure design technologies, and fully mastered the design and manufacturing process technologies of high and low voltage IGBT and supporting FRD chips with completely independent intellectual property rights, while supporting the introduction and mass production of the full range of IGBT and FRD products from Zhuzhou to Yixing, and currently the full range of chip products in Zhuzhou and Yixing are widely used in rail transit, power grid, new energy, automotive, industrial control and other fields
16	Silicon carbide chip technology	The Company has achieved breakthroughs in key process technologies including highly reliable gate oxide nitridation with low interface defects, low-damage high-aspect-ratio trench etching, sub-micron fine lithography, high-temperature ion selective implantation, high-temperature activation annealing, and low-stress thinning; mastered power chip structure design technologies such as active region gate oxide electric field shielding, JFET region doping, carrier spreading, lightly doped source, body diode overvoltage suppression, saturation current suppression, and high-efficiency spatial electric field modulation terminal design; acquired reliability improvement technologies including moisture resistance and negative gate bias stability; established a design and manufacturing technology system for MOSFET chips and SBD chips with core independent intellectual property rights; completed a 6-inch professional silicon carbide chip manufacturing platform with full-set characteristic silicon carbide process technologies; and developed an even more advanced 8-inch professional silicon carbide chip platform which is about to be fully ramped up. Its full-voltage-class MOSFET and SBD chip products can be applied in new energy vehicles, rail transit, photovoltaic, industrial drives and other fields
17	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, built 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 package and copper substrate, 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 transmission, new energy vehicles, mining frequency conversion, wind power, photovoltaic power, high-end industrial equipment and home appliances



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No.	Core technologies		Overview, advancedness and characteristics of technology
18		Reliability technology	The Company has conducted basic technological research on life modeling, accelerated testing, reliability simulation, big data analysis, sample preparation and characterization of power semiconductor devices, and established a reliability evaluation technology system covering full-voltage series IGBT, SiC, bipolar and other power semiconductor devices, including: reliability evaluation of new products (embedded packaging, GaN chips), research methods of failure mechanism based on multi-physics simulation, application life evaluation technology under multi-dimensional stresses (electrical, thermal, mechanical, humidity), reliability and quality system based on big data cluster analysis, and failure analysis technology system based on research on microscopic interface sample preparation and its characterization technology
19	Communication signal technology	Main line railway signal system technology	The Company has mastered trunk railway train operation control technology, safety computer technology, on-board database technology, communication technology, fault diagnosis and early warning technology, information system technology, multi-standard wireless communication technology, Beidou positioning technology, operation revelation on-board and temporary dispatching command wireless on-board control technology, which have been successfully applied to a number of projects such as trunk railway LK2000 monitoring system, LK-15 monitoring system, upgraded LKJ system, ETCS train control system, train-ground communication and temporary speed restriction transmission
20		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, warning technology and positioning 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, Guiyang Metro, Ningbo Metro and Hefei Metro
21		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

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No.	Core technologies		Overview, advancedness and characteristics of technology
22	Data and intelligent application technology	Data processing technology	The Company focuses on data intelligence application fields such as rail transit, clean energy, deep-sea robots, and carbon management and control. It collects, parses, stores, processes, classifies, merges, sorts, converts, analyzes, and retrieves core product data produced by the Company and other third-party system data in the industry, and finally provides data services for upper-layer application systems; it has completed the development of self-developed data management platform and urban rail vehicle IoT data platform, and applied for software copyrights; it has carried out research on multi-modal data integration, storage and retrieval technologies; it has in-depth carried out research on key technologies such as data governance, data processing, data storage, data sharing, and data visualization analysis around the product operation process, and delivered more than 70 locally deployed big data platform products in the fields of rail transit and clean energy; on the cloud, it has supported the data access of more than 200 photovoltaic and energy storage power stations to CRRC Cloud
23		Onboard PHM technology	The Company has mastered key fault diagnosis technologies for capacitors, contactors, reactors, chopper/charge/discharge resistors, filters, various sensors and cooling fans based on online parameter identification and big data analysis. It has pioneered in the industry a fault diagnosis method for traction motor bearings, stator insulation and couplings based on existing control signals of converters, and established a vehicle-ground integrated traction system health management platform. More than 1,000 trains have been equipped and put into operation in the urban rail transit sector, realizing condition perception, fault diagnosis and early warning, condition assessment and health management of the traction system, which strongly supports condition-based maintenance of the traction system
24		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 6.60 million kilometers



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No.	Core technologies		Overview, advancedness and characteristics of technology
25		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 certified to the highest SIL4 functional safety standard. 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
26		Data and application security technology	The Company has mastered system security technologies based on software and hardware, including data encryption and decryption, software reliability protection, equipment access verification, and built-in 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 the vehicle-ground identity authentication and dynamic key negotiation, encrypted storage of onboard core data, the safe vehicle-ground data transmission, the 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, short-circuit current bypass, and modular multi-level; 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 electrification 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 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 control, 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.

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 permanent magnet PHM test technology, power battery test 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		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		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, 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
32		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



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No.	Core technologies	Overview, advancedness and characteristics of technology
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
34	New energy vehicle electric drive system technology	The Company has mastered the integrated design technology of DC/DC, OBC, generator and motor inverter unit, main loop power distribution, oil pump, air pump, insulation detection and other components. It has formed medium-power, high-power platforms for pure electric passenger vehicles, hybrid passenger vehicles, medium and heavy-duty trucks, light trucks, buses and other fields, and established a technology development system covering integrated products such as single/dual electronic control, single motor, three-in-one and multi-in-one system. The electric drive products have been applied in batches to relevant models in the field of pure electric/hybrid passenger vehicles and commercial vehicles
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, building a fully localised rail transit sensor platform and realised the transformation from the development of sensor components to the provision of sensor measurement system solutions. Products are widely applied in rail transit, industrial photovoltaic, wind power, energy storage, charging and new energy vehicle fields. Meanwhile, relying on mature sensor manufacturing experience, it has deployed new product development in emerging sectors such as power grids, ships and robotics

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



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Accreditation of national 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
Specialist Machine Developments (Shanghai) Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2024	Not applicable
Ningbo CRRC Times Electric Equipment Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2025	Not applicable
Zhuzhou Times Electronics Technology Co., Ltd.	Individual Champions Product	2025	80 km/h rail flaw detection system

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, promote industrial innovation through technological innovation, and achieved fruitful results in scientific and technological innovation.

In 2025, in the rail transit business segment, the Company built a full-working-condition and high-fault-tolerance system for the permanent magnet traction system, realizing the transformation of permanent magnet fault response from passive handling to active management and control. It completed the prototype development of the DC3000/750V traction and auxiliary system platform for the overseas market, with a 25% reduction in weight and 20% reduction in volume, promoting the platformisation of overseas products. It completed the iteration of key technologies such as the PCU and permanent magnet safety of the CR450 EMU, where the product's technical performance and quality are superior to those of competitors, and the train achieved over 360,000 kilometers of stable operation assessment on the main line. It completed the iterative optimization and test verification of the urban rail traction system based on independently customized three-level devices, realising a 20% reduction in weight. It completed the on-board test of the Fuxing-type high-power permanent magnet freight electric locomotive, boosting the leap of heavy-haul electric locomotives from "Hexie" series to "Fuxing" series. It achieved the batch delivery of the fully independent system for FXD1BA on the Daqin Railway, carried out tests on 20,000-ton combined trains, and realized the full coverage of the Company's core products in heavy-haul railways. More than 200 locomotive automatic driving systems were installed in batches, with a cumulative operating mileage of over 8.5 million kilometers; the operation assessment was completed on the national railway Haoji Railway, with an operation assessment mileage of over 200,000 kilometers. It broke through the ETCS multi-system integration and switching technology, reaching the international benchmark level. Changsha Line 2 achieved the first case of CBTC to CBTC modification in the industry, and Ningbo Line 8 FAO was fully functionally put into operation with a number of advanced technologies. The speed-up railway train control system (LKJ upgrade) was quickly finalized, and the vehicle-ground integrated integration technology became the industry benchmark. It completed the development of the same-phase power supply device and energy dispatching device for Chongqing Line 15; it completed the demonstration application of the first domestic "grid-source-storage-vehicle" collaborative function system project for heavy-haul railways. It realized the batch promotion and application of the urban rail active power supply system. It launched 6 types of electric transmission platforms for construction equipment adapted to complex working conditions such as plateaus, alpine regions, and tunnel geothermal heat in a systematic manner for the first time. It mastered key technologies such as grinding dust cleaning, air-electric hybrid braking, and dual-source hybrid drive, and the independently developed grinding and catenary maintenance equipment successfully passed the national railway plan review. It completed the development of the TQME6 door control platform, the first domestic platform meeting the highest SIL4 safety level.



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In the emerging equipment business segment, the Company broke through the fourth-generation trench-gate SiC MOSFET chip technology, with a specific on-resistance of ≤ 2 milliohm-cm², reaching the international leading level. It mastered the platinum FRD chip technology, achieving a 50% reduction in leakage current and a 15% improvement in RRSOA, reaching the international advanced level. It broke through the 1 μ m Pitch ultra-fine trench IGBT technology, realizing a 7% improvement in current output capacity and continuously expanding its leading advantage. It deeply optimized and reconstructed the fluxgate signal processing algorithm and temperature drift compensation model, significantly improving the measurement accuracy and long-term stability of sensors under complex working conditions. The industrial-grade Hall ASIC chip independently designed and developed completed its first tape-out; the fully independently packaged 100A-level chip-level current sensor successfully rolled off the production line. It launched the 400kW+ photovoltaic inverter “Chixiao” and the 3.XMW energy storage PCS “Yunshu”. The string photovoltaic inverter developed an MPPT adaptive optimization and dynamic power distribution strategy, achieving 5% control accuracy and zero overshoot in primary frequency modulation, with leading performance indicators in the industry. It launched the IGBT hydrogen production power supply HPS2.0 platform, with a power density increase of more than 40% and leading performance indicators in the industry. It completed the development of the fifth-generation product, where the power density of the pure electric high-voltage SiC multi-in-one assembly reached 4.42kW/kg, the CLTC working condition efficiency reached 93.52%, passed the third-party “high-quality electric drive” certification, and its technical indicators reached the industry leading level. Compared with products of the same power level, the 200kW hybrid five-in-one assembly is 10% lighter, reaching the industry advanced level. It completed the serialized development of 0.5~4.3MW shaft generator frequency converters, realized the installation and application of the world’s largest localized shaft generator frequency converter on ships, and is in the industry leading level. It assisted in the installation and operation of the world’s first WK55 electric shovel permanent magnet direct drive electronic control system. The world’s first underwater heavy-duty operation electric ROV completed commercial delivery, with an energy efficiency improvement of 27%, leading the global trend of electrification in deep-sea operations. The domestic largest horsepower 1,500-meter ROV system successfully passed sea trials and was delivered.

Focusing on the Company’s core technologies and main products, the Company adheres to and actively plans the intellectual property layout work, and continuously enhances its influence in the industry. In 2025, it added 404 authorised patents at home and abroad, including 15 authorised overseas patents. Currently, the Company has 3,858 authorised and valid patents, of which invention patents account for more than 60%; it presided over or participated in the release of 21 international, national, industrial and group standards in the fields of transportation and energy, continuously consolidating and improving its industry status.

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List of intellectual property rights obtained during the reporting period

	Increase in the year		Cumulative number	
	Number of applications	Number of approvals	Number of applications	Number of approvals
Invention patent	430	306	5,707	2,647
Utility model patent	86	81	2,034	1,105
Appearance design patent	14	17	283	106
Software copyright	1	1	386	386
Others	/	/	/	/
Total	531	405	8,410	4,244

3. R&D investment

Unit: Yuan Currency: RMB

	Current year	Last year	Change (%)
Expensed R&D expenditure	3,011,318,327	2,656,671,063	13.35
Capitalised R&D expenditure	165,208,771	185,250,664	-10.82
Total R&D expenditure	3,176,527,098	2,841,921,727	11.77
Percentage of total R&D expenditure in revenue (%)	11.07	11.41	Decreased by 0.34 percentage points
Percentage of capitalised R&D expenditure (%)	5.20	6.52	Decreased by 1.32 percentage points



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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

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	3,973	949	3,840	1. Completed the whole vehicle type test of the CR450 EMU, with a maximum speed of 453 km/h and a maximum relative meeting speed of 896 km/h. Currently, the 600,000-kilometer assessment is in progress, with a cumulative operation of more than 360,000 kilometers; 2. The volume of the traction converter is reduced by 15%, the power density is increased by 50%, and the system efficiency is increased by 4%; the clock synchronization accuracy of the network control system based on TSN is $\leq 1 \mu s$, and the data jitter is $\leq 1 ms$. A new generation of high-speed EMU traction converter and network control system platform with leading performance indicators has been built.	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	663	3,902	1. Successfully passed the third-party independent security assessment and obtained the security certification; 2. Simultaneously promoted collaborative projects with the association, CRRC, and the Hunan Provincial TACS Engineering Center; 3. Continued to advance the implementation of TACS applications in projects such as Changliu, Hefei Line S1, and Guangzhou APM; 4. Focused on providing support for TACS promotion and conducted in-depth exchanges with clients in Changsha, Chongqing, Hefei, Wuxi, Ningbo, Xi'an, Dalian, Shenzhen, Guangzhou and other regions.	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 GoA 0-3 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



Report of the Directors

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	158	859	1. Completed 8 major special technical researches covering fully automatic operation system integration technology, fully automatic operation system testing technology, fully automatic operation system ATP/ATO technology, fully automatic operation system ATS technology, fully automatic operation system CI technology, fully automatic operation system hardware and platform technology, development of fully automatic operation system intelligent operation and maintenance system, and fully automatic operation system dedicated wireless communication system and key product technologies. 2. Completed a 4-month trial operation and 20 consecutive days of trial running assessment. 3. Obtained the initial passenger operation certificate and report of the fully automatic operation system. 4. Successfully passed the expert preliminary review and formal review of safety assessment before initial operation. 5. Successfully launched passenger 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.	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

Report of the Directors

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	347	761	1. Completed the factory assembly test of the in-phase power supply device and passed the third-party evaluation and verification; 2. Completed the grid connection and commissioning of the in-phase power supply devices at Tongluoshan Main Substation and Jiuque Main Substation; 3. Completed the development of the official version of the electrified railway traction power supply simulation software.	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



Report of the Directors

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	745	265	592	1. The product performance of DC750V system and DC3000V system is fully benchmarked against foreign benchmarks, and core indicators such as volume, weight, noise and efficiency have achieved overall leadership; 2. Completed the ground verification of the prototype.	To develop 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	683	252	654	1. Released the architecture scheme set of multi-source integrated energy system for railways and urban rail transit; 2. Conquered energy management and coordinated scheduling technology, coordinated protection and control technology, completed the development of new energy single-phase grid-connected converters and energy operation and control devices, and put them into grid operation in the Baoyi Line flexible vehicle-grid green energy aggregation system demonstration project and the Shuohuang Railway transportation-energy integration project; 3. Released the multi-source integrated system simulation platform.	To focus 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.	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

Report of the Directors

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	2,253	858	2,373	Cooperated with the vehicle manufacturer to complete the full train type test, and the type test results met the requirements of the vehicle technical specifications. Cooperated with the vehicle manufacturer to carry out the train operation assessment test. As of 9 February 2026, the operation assessment of 160,000 kilometers has been completed.	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
8	In-depth Research on Autonomous Driving Technology for Large-scale Application and New Complex Scenarios	1,113	435	1,048	1. Completed the generalized design and development of software for the versatility of the locomotive automatic driving system, finished the hardware-in-the-loop simulation test based on data from multiple typical lines in the laboratory, and the software is being successively deployed in on-site application projects, which can improve the adaptability of general freight trains and heavy-haul trains in complex and difficult operation scenarios; 2. Completed the retrofitting of 6 SS4B locomotives and the construction and joint commissioning of a joint laboratory for the new automatic driving application based on virtual marshalling; it is planned to conduct vehicle-to-vehicle communication debugging in 2026, and carry out multi-vehicle virtual marshalling automatic driving debugging and line tests.	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. 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.	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; 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.	Rail transit electrical equipment



Report of the Directors

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	3,464	1,706	3,352	1. The on-state resistance ratio at normal temperature is 6.9% lower than the industry's minimum, and the on-state resistance ratio at high temperature is 2.4% lower than the industry's minimum, reaching the international advanced level; 2. Based on CLTC cycle conditions, the output current capability is 403A and the electronic control efficiency is 99.08%, reaching the international advanced level; 3. The reliability has passed assessments including 1,200V/-8V, 1,400V HTRB, +25V/-12V HTRB and DGS, which is equivalent to the industry's 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	209	576	1. Completed the prototype trial-manufacture of a fluxgate leakage current sensor, which passed type test and reliability test verification, and its product performance is superior to industry standard requirements; 2. Completed small-batch verification of two open-loop Hall current sensors and one high-immunity closed-loop Hall current sensor, which have been recognized by customers and obtained batch 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

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	254	609	1. Completed the development of two single-chip Hall current sensors, passed reliability and durability tests, and achieved small-batch production; 2. Completed the development of triple-unit and multi-unit current sensors supporting new energy vehicle electronic control systems, passed reliability and durability tests, and achieved small-batch production; 3. Completed the development of current sensors for 800V high-voltage platform electronic control supporting systems of new energy vehicles, passed reliability and durability tests, and achieved small-batch production.	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.	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



Report of the Directors

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	310	802	1. Carried out and completed the 65MPa dynamic pressure simulation test of 2 power-type converter single boards; 2. Completed the product development of underwater DC-HC insulation detection control board in the underwater cluster control system and delivered small batches to the UK; 3. Completed the product development of bidirectional power supply for underwater manipulator and delivered small batches; 4. Completed the development and functional test of underwater 200kW solid-state circuit breaker components; 5. Completed the functional test of underwater 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.	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

Report of the Directors

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 the traction system for diesel locomotives exported from Dalian to Kazakhstan	813	783	783	1. Completed the EAC certification test and certification for traction converter cabinet, auxiliary converter cabinet, drive control unit and network control system; 2. Cooperated with the complete vehicle to complete the EAC certification test and obtain certification.	To complete the development of the electric traction system for AC drive diesel locomotives exported from Dalian to Kazakhstan, including sub-components such as traction converters, auxiliary converters and network control systems, to meet the requirements of the technical agreement and product delivery schedule.	Developing traction converters, auxiliary converters and network control systems with adaptability to alpine and low-temperature environments that meet -50℃ storage and -40℃ operation; achieving a breakthrough in EAC (Eurasian Customs Union Certification) certification for key systems for the first time.	Rail transit electrical equipment
14	Development of the Electric Traction System for CR151 on Singapore Cross Island Line	526	330	330	1. Carried out construction design of key components and completed prototype trial-manufacture and debugging; 2. Successfully passed the type test assessment of all components witnessed by CRRC Qingdao Sifang Co., Ltd. and Singapore LTA; 3. Successfully passed system integration test, energy consumption test and battery traction test witnessed by CRRC Qingdao Sifang Co., Ltd. and Singapore LTA; 4. Passed the First Article Inspection (FAI) review by CRRC Qingdao Sifang Co., Ltd. and successfully completed the first train installation and commissioning.	In accordance with the DCPS requirements of the Singapore customer, to develop a set of electrical systems and products suitable for fully automatic driving trains on the Singapore Cross Island Line to ensure the smooth delivery and operation of 55 trains. In strict accordance with the customer's technical specification, carry out the forward design, simulation, verification, risk control and other processes of traction, auxiliary, network and other subsystems, and form standardized and highly traceable technical development documents. Cultivate a group of overseas technical talents with international vision and strong sense of responsibility.	1. Developing the first set of low-voltage battery chargers to meet battery traction on 3% large ramps; 2. Developing a network security and information security function scheme complying with train Ethernet according to the IEC62443 standard system, and completing the development of basic network equipment and maintenance tool software; 3. Researching train-level energy consumption simulation, circuit simulation, EMC simulation, etc., and conducting combined system test and verification; 4. Achieving international first-class level in system integration and equipment performance.	Rail transit electrical equipment



Report of the Directors

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 Inverters for Industrial and Commercial Photovoltaic Applications	456	341	341	1. Determined the product technical route, completed the confirmation of product functions and technical specification parameters, and designed the system scheme; 2. Completed the design, trial-production and testing of the principle prototype; 3. Completed the development and testing of high-precision intelligent arc detection technology, intelligent breaking protection technology and IV curve scanning function.	1. To adopt multi-peak maximum power point tracking to increase power generation; 2. To be equipped with high-precision arc detection, intelligent breaking protection, AC/DC terminal temperature detection and protection, and IV curve scanning function, so as to further ensure equipment safety and improve operation and maintenance efficiency; 3. To have an IP66 protection grade for the whole machine to meet the requirements of high altitude and -40℃ low-temperature operation, with stronger environmental adaptability.	1. Completing the development and corresponding certification tests of 150kW string photovoltaic inverters for industrial and commercial high-power string inverter applications, realizing product application and improving the string inverter product portfolio; 2. Conducting refined heat dissipation technology research, improving product performance and reliability; 3. Researching high-precision intelligent arc detection, intelligent breaking protection and IV curve scanning functions, enhancing product intelligence and safety.	Industrial converter photovoltaic products
16	Development of HPS2.0 IGBT Hydrogen Production Power Supply Product Platform	539	264	264	1. Completed platform product definition, product portfolio planning and system scheme design; 2. Completed platform prototype trial-manufacture and type test; 3. Completed hardware-in-the-loop simulation verification of power supply adaptability under weak grid and off-grid working conditions.	1. To develop the HPS2.0 hydrogen production power supply product platform with higher power density to meet the application requirements of electrolyzers below 5,000 Nm ³ /h, based on the high-power and low-cost application needs of hydrogen production power supplies; 2. To study power supply control technology under low SCR and off-grid working conditions, based on the weak grid/off-grid requirements of hydrogen production projects; 3. To study EMC optimization design and complete machine reliability design technology, based on the reliability/availability requirements of hydrogen production projects.	Developing a new generation of IGBT hydrogen production power supply product platform with higher power density and lower cost, fully covering the application requirements of hydrogen production electrolyzers of 5,000 Nm ³ /h and below, achieving leading industry technical indicators and consolidating the leading position in the industry.	Industrial converter hydrogen products

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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
17	Development of 3.XMW Energy Storage Converter	352	429	429	1. Completed the trial-manufacture of the R&D prototype and national standard certification tests; 2. Adapted the product to 587Ah and other higher-specification battery cells that will be mainstream in the energy storage field in the future; 3. Equipped the product with grid-forming function, increased power density by 22% and reduced floor space by 30%.	1. To be compatible with 587Ah and other higher-specification battery cells that will be mainstream in the energy storage sector; 2. To be equipped with grid-forming capability; 3. To achieve a power density increase of over 20% and a 30% reduction in floor space.	Developing a high-power energy storage converter with leading industry technical level: 1. Being compatible with 6.XMWh energy storage battery cabins; 2. Possessing the capability of actively supporting and regulating the power grid; 3. Having higher power density and smaller floor space.	Industrial converter energy storage products
18	Urban Rail Diesel-Electric Rail Welding Vehicle	287	152	152	1. Completed 5 meetings including contract negotiation and design liaison with the customer for this order project, and finalized the scheme confirmation with the customer; 2. Completed one set of construction drawings and technical documents for the diesel-electric rail welding vehicle, and finished the technical disclosure.	1. To complete the construction drawings and technical documents for the diesel-electric rail welding vehicle; 2. To complete the prototype trial-manufacture of the diesel-electric rail welding vehicle.	Developing the diesel-electric rail welding vehicle, breaking through the generator set power supply matching technology based on the operating characteristics of flash welders, the electric drive traction control technology with power frequency generator sets as the power source and intermediate voltage DC750V level, the rail flash welding application technology for urban rail line rail welding vehicles, and the vehicle integration technology for electric drive rail engineering vehicles, reaching the advanced domestic level.	Railway construction machinery



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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
19	Development of High-Performance 750V FRD Chip Based on Advanced Process Platform	1,475	1,365	1,365	1. The room-temperature Erec decreased by 31% compared with the 7.5th generation, and the oscillation characteristics were slightly better than Infineon EDT3, reaching the international advanced level. 2. The device limit power was increased by 15%, with the RRSOA limit reaching ≥ 480 kW, reaching the international advanced level. 3. The leakage current was reduced by 50%, and the junction temperature tolerance was raised from 175°C to 185°C , reaching the international advanced level.	To develop a new platform for 750V automotive-grade advanced FRD chips with high SOA capability, low leakage current and low loss characteristics.	Adopting the 7.5th generation advanced FRD products for simulation with an efficiency of $\geq 97.4\%$ (based on S3+ module), the chip technology has reached the international advanced level.	Power semiconductor devices
20	Pre-research and Development of Sensors for New Energy Vehicle Customers' New Platforms	244	238	238	1. Developed and tested one single miniaturized current sensor; 2. Developed and tested two multi-unit current sensors; 3. Developed and tested one multi-unit current sensor.	To target the market demand for next-generation integration, miniaturization and low cost of electric drive systems for key customers in the domestic and international new energy vehicle industry, develop a new generation platform current sensor for new energy vehicle electric drive systems; complete the prototype development of 4 products and meet the required performance specifications.	1. Studying the structural design and electrical interface design of the sensor, designing the minimum core volume while ensuring performance, thereby minimizing the overall volume of the sensor and achieving a compact structural design; 2. Studying the structure and interface of the new IGBT power module, matching the structural space of the customer's electronic control system, and developing supporting current sensors.	New energy vehicle sensor

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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
21	Development of Super Pure Electric Multi-in-One E-Drive Assembly Product	438	448	448	1. Completed the research and breakthrough of system efficiency global optimization technology, new ultra-short end winding process technology, active-passive integrated filtering technology, dry sump design technology, etc.; 2. The assembly achieved a power density of 4.42kW/kg; the CLTC cycle efficiency reached 93.52%; the assembly EMC reached CLASS 5 level. The assembly product passed the third-party "High-Quality E-Drive" certification, and its technical indicators reached the leading level in the industry.	To complete the development of the super pure electric multi-in-one e-drive assembly product, increase the power density by 10%, reduce the volume by 15%, and improve the efficiency by 0.5%.	Achieving overall advanced key indicators in the industry and leading indicators in some aspects.	New energy vehicle electric drive system
22	Development of 4. X MW Shaft Generator Inverter	316	315	315	1. Confirmed the technical requirements of the 4. X MW shaft generator inverter, and completed the compilation and review of the technical specification; 2. Completed the shape and size benchmarking with ABB 4.3MW related project inverter, the overall length of our inverter was 16% shorter than that of ABB, and the power density was > 352W/L; 3. Completed the scheme design and technical design of the 4. X MW shaft generator inverter, and released the system drawings; 4. Completed the onshore joint commissioning of the shaft generator system and the power sudden load application and removal test; 5. Completed the on-board commissioning, sea trial of the actual ship, and delivered it for application.	1. To complete the design and development of the 4. X MW shaft generator inverter; 2. To complete the joint commissioning of the shaft generator system and meet the system matching requirements; 3. To complete the on-board application of the 4. X MW shaft generator inverter.	1. Being the first domestic low-voltage shaft generator inverter above 4MW, leading the domestic market, with a power density of 351W/L, which is higher than that of mainstream brands; 2. Having a power density of 351W/L, which is higher than that of ABB ACS880.	Industrial converter product
Total	/	26,025	11,071	24,033	/	/	/	/



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Explanations

None

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)	4,560	4,025
Percentage of R&D personnel in the workforce of the Company (%)	42.43	40.21
Total remuneration of R&D personnel	155,046.61	126,824.65
Average remuneration of R&D personnel	34.00	31.51

Breakdown of R&D personnel by education	
Education level	Number of personnel
Doctorate degree	170
Master degree	2,182
Bachelor degree	2,168
Junior college degree	31
High school degree and below	9

Breakdown of R&D personnel by age	
Age group	Number of personnel
Aged below 30 (exclusive of 30)	1,904
Aged 30-40 (inclusive of 30 and exclusive of 40)	1,741
Aged 40-50 (inclusive of 40 and exclusive of 50)	759
Aged 50-60 (inclusive of 50 and exclusive of 60)	156
Aged 60 and above	0

Reasons for the material changes in the composition of R&D personnel and the impact on the future development of the Company

☐ Applicable ☒ Not applicable

6. Other explanations

☐ Applicable ☒ Not applicable

IV. RISK FACTORS

(I) Risk of Making No Profits Yet

☐ Applicable ☒ Not applicable

(II) Risk of a Sharp Decline or Loss in Earnings

☐ Applicable ☒ Not applicable

(III) Core Competitiveness Risk

☒ Applicable ☐ Not applicable

As a core supplier of rail transit equipment, the Company has achieved rapid development in the new energy industry in recent years and is quickly moving toward the leading position. In accordance with market demand and industry technology development trends, the Company has continuously carried out research and development of new technologies and new products, and invested a large amount of manpower, financial resources and resources. Due to the uncertainty inherent in technology research and development, if the Company makes incorrect judgments on the development direction of new technologies or lags behind in product research and development, it may lead to failures in the research and development of new technologies and new products, or new products launched on the market failing to achieve the expected benefits, which will affect the Company's operating performance and competitiveness.

Countermeasures: The Company will strengthen forward-looking technology research and patent barriers, keep abreast of domestic and international technological development trends in the industry, hold regular technical seminars, grasp the market development direction and make advance layout; meanwhile, the Company will strengthen the linkage between scientific research and the market, accelerate product upgrading to seize the market; furthermore, the Company will leverage advantageous industrial resources, enhance external scientific and technological cooperation, accelerate the R&D of independent core technologies and improve the comprehensive competitiveness of products.



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(IV) Operating Risk

✓ Applicable ☐ Not applicable

Demand in the rail transit industry is influenced by the macroeconomy, local fiscal strength, infrastructure investment pace, and government policies. Investment in urban rail and railway projects may slow down amid mounting local fiscal pressure, leading to risks that new order volume and delivery progress fall short of expectations, thus constraining growth in the Company's traditional core business. While the emerging equipment sector is expanding rapidly, domestic competitors have adopted low-price competition strategies to seize market share quickly, squeezing profit margins and undermining the Company's profitability through price wars.

Countermeasures: The Company will establish regular government-enterprise communication channels and mechanisms to timely collect and obtain national and local policy information, organize periodic seminars to analyze and forecast the direction and impact of external policies, and formulate response strategies in advance; secondly, it will build high-level technical R&D and production platforms, strengthen the market competitiveness of existing products, continuously optimize and expand the product portfolio, and lead market demand.

(V) Financial Risk

✓ Applicable ☐ Not applicable

As the Company accelerates the implementation of its international operation strategy, greater attention will be paid to the financial risks of overseas business, such as risks arising from exchange rate fluctuations, accounts receivable, and operating cost control. Overseas business involves settlement in multiple currencies, and sharp exchange rate fluctuations of project currencies will directly erode project profits and result in exchange losses. Meanwhile, overseas projects have long implementation cycles and large upfront investments, and customers in different countries vary significantly in credit standing, which poses risks of payment arrears and even bad debts. Furthermore, overseas projects face fierce international competition, and uncontrollable factors such as geopolitical conflicts and operational sanctions may directly lead to project suspension, asset losses, and considerable operational uncertainty.

Countermeasures: The Company shall conduct risk assessment and analysis on overseas projects, enhance the risk prevention awareness of relevant personnel, and continuously monitor the trend of exchange rate fluctuations; establish a full-process exchange rate risk management mechanism, formulate appropriate foreign exchange risk management plans and organize their implementation; adopt foreign exchange risk management plans at the early stage of conducting foreign currency business to lock in foreign exchange risks. For signed foreign currency contracts, the Company shall adopt forward exchange settlement and use RMB for settlement as much as possible.

(VI) Industry Risk

☒ Applicable ☐ Not applicable

The new energy vehicle industry is currently in an extremely competitive environment. Affected by the concentrated outbreak of structural contradictions arising from the rapid industrial expansion, internal competition within the industry has become particularly severe. In the short term, automakers are blindly pursuing scale at the expense of profits, making it difficult for both upstream and downstream industrial chains to achieve profitability. Competition in the electric drive industry has intensified, posing significant challenges to the Company's profitability.

Countermeasures: The Company will actively collect national policies and industry information, strengthen research on market trends and business strategies, establish a market risk early-warning mechanism, and improve market operation strategies; carry out platform-based low-cost design to quickly achieve price optimization for mass-produced products; implement cost-oriented refined procurement category management, optimize the supply chain, and enhance product engineering and mass low-cost manufacturing capabilities.

(VII) Macro Environment Risk

☒ Applicable ☐ Not applicable

Global economic growth is slowing down, while geopolitical conflicts and trade barriers continue to intensify. Domestically, the economy pursues progress while maintaining stability, with domestic demand as the core, consumption recovering moderately, service consumption leading the way, and policy support boosting confidence; efforts to stabilize growth and promote transformation are advancing in parallel. Overseas, risks related to the security of overseas assets and compliance control over international operations are becoming increasingly severe. Meanwhile, ongoing uncertainties such as climate risks and geopolitical tensions are creating significant uncertainty for the global economic recovery.

Countermeasures: The Company will continuously track the latest domestic policies as well as relevant information and developments in politics, economy, and industry of the countries and regions involved in its overseas business, especially strengthen the risk management of foreign-related projects, and effectively prevent risks while expanding overseas markets.

(VIII) Risks Related to Depositary Receipts

☐ Applicable ☒ Not applicable

(IX) Other Material Risks

☐ Applicable ☒ Not applicable



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V. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

During the reporting period, the Company focused on the dual tracks of transportation and energy, adhered to concentric and diversified development, deepened coordinated development, and achieved significant improvement in operational quality and efficiency. The rail transit segment played a stabilizing role as the cornerstone, while the emerging industries segment was poised for breakthroughs.

During the reporting period, the Company achieved revenue of RMB28.703 billion, representing a year-on-year increase of 15.23%, net profit attributable to the parent company of RMB4.097 billion, representing a year-on-year increase of 10.64%, primarily due to the increase in gross profit thanks to the increase in revenue, basic earnings per share of RMB2.99/share, representing a year-on-year increase of 14.12%, and weighted average rate of return on net assets of 9.81%, representing a year-on-year increase of 0.50 percentage points, primarily due to the increase in net profit attributable to the parent company.

(I) Principal Business Analysis

1. Analysis of changes in relevant items in income statement and cash flow statement

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Change (%)
Revenue	28,702,700,063	24,908,937,548	15.23
Cost of sales	19,106,801,504	16,818,295,341	13.61
Selling expenses	586,917,932	589,179,188	-0.38
Administrative expenses	1,227,083,317	1,168,944,671	4.97
Finance costs	-280,757,617	-146,227,486	Not applicable
R&D expenses	3,011,318,327	2,656,671,063	13.35
Net cash flow from operating activities	3,964,724,300	3,361,120,915	17.96
Net cash flow from investing activities	-6,520,433,845	-3,199,606,969	Not applicable
Net cash flow from financing activities	-702,819,859	456,248,246	-254.04

Report of the Directors

Reasons for changes in revenue: please refer to the table below for details:

Unit: 100 million Yuan Currency: RMB

Business segment	Amount for the current period	Amount for the same period last year	Change (%)
Rail transit business	158.06	146.36	7.99
Of which: Rail transit electric equipment business	121.06	109.90	10.15
Rail engineering machinery business	18.99	18.91	0.39
Communication signal system business	11.49	11.05	4.02
Other rail transit equipment business	6.52	6.50	0.26
Emerging equipment business	127.80	101.15	26.35
Of Which: Semiconductor business	53.60	41.10	30.43
Automotive business	32.68	25.69	27.22
New energy business	24.01	20.36	17.93
Marine business	10.30	8.65	19.11
Industrial business	7.21	5.35	34.61
Others	1.17	1.58	-26.05
Total	287.03	249.09	15.23

Reasons for changes in cost of sales: mainly due to the year-on-year increase in revenue.

Reasons for changes in selling expenses: basically the same as the previous year.

Reasons for changes in administrative expenses: mainly due to the increase in salaries of administrative staff.

Reasons for changes in finance costs: mainly due to the increase in interest income and foreign exchange gains.

Reasons for changes in R&D expenses: mainly due to the increase in R&D personnel costs and R&D material consumption.

Reasons for changes in net cash flow from operating activities: mainly due to the increase in cash receipts from the sale of goods and the rendering of services.

Reasons for changes in net cash flow from investing activities: mainly due to the decrease in cash receipts from recovery of investments.

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.

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

☐ Applicable ☒ Not applicable



Report of the Directors

2. Revenue and cost analysis

✓ Applicable ☐ Not applicable

During the reporting period, the Company achieved revenue of RMB28.703 billion, representing a year-on-year increase of 15.23% compared with RMB24.909 billion in the same period of the previous year.

1. Rail transit equipment segment delivers stable and stabilizing revenue

During the reporting period, the Company achieved revenue of RMB15.806 billion from the rail transit equipment segment, representing a year-on-year increase of 7.99% compared with RMB14.636 billion in the same period of the previous year. In particular, the rail transit electrical equipment segment achieved revenue of RMB12.106 billion, representing a year-on-year increase of 10.15% compared with RMB10.990 billion in the same period of the previous year; the rail engineering machinery segment achieved revenue of RMB1.899 billion, representing a year-on-year increase of 0.39% compared with RMB1.891 billion in the same period of the previous year; the communication signal system segment achieved revenue of RMB1.149 billion, representing a year-on-year increase of 4.02% compared with RMB1.105 billion in the same period of the previous year; and the other rail transit equipment segment achieved revenue of RMB0.652 billion, representing a year-on-year increase of 0.26% compared with RMB0.650 billion in the same period of the previous year.

2. The emerging equipment segment poised for a breakthrough

During the reporting period, the Company achieved revenue of RMB12.780 billion from the emerging equipment segment, representing a year-on-year increase of 26.35% compared with RMB10.115 billion in the same period of the previous year. In particular, the semiconductor segment achieved revenue of RMB5.360 billion, representing a year-on-year increase of 30.43% compared with RMB4.110 billion in the same period of the previous year; the automotive segment achieved revenue of RMB3.268 billion, representing a year-on-year increase of 27.22% compared with RMB2.569 billion in the same period of the previous year; the new energy segment achieved revenue of RMB2.401 billion, representing a year-on-year increase of 17.93% compared with RMB2.036 billion in the same period of the previous year; the marine segment achieved revenue of RMB1.030 billion, representing a year-on-year increase of 19.11% compared with RMB0.865 billion in the same period of the previous year; and the industrial segment achieved revenue of RMB0.721 billion, representing a year-on-year increase of 34.61% compared with RMB0.535 billion in the same period of the previous year.

(1) Results of principal operations by industry, product, region and sales model

Unit: Yuan Currency: RMB

Principal operations by industry						
By industry	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue from the previous year (%)	Change in cost of sales from the previous year (%)	Change in gross profit margin from the previous year (%)
Rail transit equipment and its extended industries	28,702,700,063	19,106,801,504	33.43	15.23	13.61	Increased by 0.95 percentage point

Report of the Directors

Principal operations by product						
By product	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue from the previous year (%)	Change in cost of sales from the previous year (%)	Change in gross profit margin from the previous year (%)
Rail transit business	15,805,520,225	9,269,935,716	41.35	7.99	1.83	Increased by 3.55 percentage points
Emerging equipment business	12,780,537,591	9,741,652,355	23.78	26.35	28.44	Decreased by 1.24 percentage points
Others	116,642,247	95,213,433	18.37	-26.05	-27.16	Increased by 1.24 percentage points

Principal operations by region						
By region	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue from the previous year (%)	Change in cost of sales from the previous year (%)	Change in gross profit margin from the previous year (%)
Mainland China	26,722,048,710	17,592,791,610	34.16	13.57	11.77	Increased by 1.05 percentage points
Other countries or regions	1,980,651,353	1,514,009,894	23.56	43.50	40.34	Increased by 1.72 percentage points

Principal operations by sales model						
By sales model	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue from the previous year (%)	Change in cost of sales from the previous year (%)	Change in gross profit margin from the previous year (%)
Direct sales	28,329,635,801	18,881,097,625	33.35	14.86	13.26	Increased by 0.94 percentage points
Distribution	373,064,262	225,703,879	39.50	53.04	52.28	Increased by 0.30 percentage points

Description of results of principal operations by industry, product, region and sales model

- Reasons for the increase in revenue by over 30% from other countries or regions: mainly due to the increase in project deliveries in overseas markets compared with the same period last year.
- Reasons for the increase in cost of sales by over 30% in other countries or regions: mainly due to the increase in revenue in other countries or regions.



Report of the Directors

(2) Analysis of production and sales volume

☒ Applicable ☐ Not applicable

Main product	Unit	Production	Sales volume	Inventory level	Change in production from the previous year (%)	Change in sales volume from the previous year (%)	Change in inventory level from the previous year (%)
Semiconductor device	10,000 devices	706.12	688.28	69.03	33.55	31.52	15.07
Railway engineering machinery	vehicle	361	369	9	-17.77	-13.79	-47.06

Description of production and sales volume

The traction converter systems of rail transit vehicles produced by the Company need to be customised based on customer needs, and the core of the system includes software and system integrated modules and involves many types of hardware and devices. Some non-critical hardware may be obtained through purchase. Accordingly, the traditional concept of production capacity is not applicable to such product.

The production and sales volume of the Company's power semiconductor devices (device products) and railway engineering machinery (complete machines) are set out in the table above. Among them, the sales volume of power semiconductor devices includes the volume of sales to companies included in the Company's consolidated scope.

In 2025, the Company's production and sales volume of rail engineering machinery and vehicles decreased slightly, with the decline concentrated in overhaul and urban rail production lines, mainly due to the reduction in the overhaul plans approved by railway bureaus and the overall weaker market demand for urban rail transit in 2025.

(3) Performance of material purchase contracts and sales contracts

☐ Applicable ☒ Not applicable

(4) Cost analysis

Unit: Yuan Currency: RMB

By industry	Cost components	Amount for the current period	Analysis by industry		Amount for the same period last year	As a percentage of total cost for the current period (%)	As a percentage of total cost for the same period last year (%)	Year-on-year change in the amount (%)	Note
			As a percentage of total cost for the current period (%)	As a percentage of total cost for the same period last year (%)					
Rail transit equipment and its extended industries	Direct material cost	15,882,649,940	83.13	14,209,247,072	84.49	11.78	/		
Rail transit equipment and its extended industries	Direct labor cost	594,939,777	3.11	463,634,418	2.76	28.32	/		
Rail transit equipment and its extended industries	Manufacturing cost	2,629,211,787	13.76	2,145,413,851	12.75	22.55	/		

By product	Cost components	Amount for the current period	Analysis by product		Amount for the same period last year	As a percentage of total cost for the current period (%)	As a percentage of total cost for the same period last year (%)	Year-on-year change in the amount (%)	Note
			As a percentage of total cost for the current period (%)	As a percentage of total cost for the same period last year (%)					
Rail transit business	Direct material cost	8,360,351,801	43.76	8,329,765,025	49.53	0.37	/		
Rail transit business	Direct labor cost	172,364,207	0.90	136,207,423	0.81	26.55	/		
Rail transit business	Manufacturing cost	737,219,708	3.86	637,254,945	3.79	15.69	/		
Emerging equipment business	Direct material cost	7,441,308,834	38.95	5,757,029,408	34.23	29.26	/		
Emerging equipment business	Direct labor cost	422,575,570	2.21	327,426,995	1.95	29.06	/		
Emerging equipment business	Manufacturing cost	1,877,767,951	9.83	1,499,904,315	8.91	25.19	/		
Others	Direct material cost	80,989,305	0.42	122,452,639	0.73	-33.86	/		
Others	Manufacturing cost	14,224,128	0.07	8,254,591	0.05	72.32	/		

Other notes to cost analysis

None



Report of the Directors

(5) Changes in the scope of consolidation due to changes in equity in major subsidiaries during the reporting period

☐ Applicable ☒ Not applicable

(6) Significant changes or adjustments in the Company's business, products or services during the reporting period

☐ Applicable ☒ Not applicable

(7) Major customers and major suppliers

Customers or suppliers under the control of the same controlling person are presented on a consolidated basis as the same customer or supplier, excluding those actually controlled by the same state-owned asset management authority.

Explanation of the consolidated presentation of the following customer and supplier information on the basis of common control

The Company's top five customers and the largest supplier all conduct sales or purchases with different legal entities under the same controlling person.

A. Information about major customers of the Company

☒ Applicable ☐ Not applicable

The sales to the top five customers was RMB15,798.60 million, accounting for 55.04% of the total annual sales, of which sales to related parties was RMB10,798.82 million, accounting for 37.62% of the total annual sales.

Except for CRRC Group which is an indirect controlling shareholder of the Company, none of the Directors or any of their respective close associates or shareholders holding 5% or more of the Company's shares had an interest in top five customers.

Top five customers of the Company

☒ Applicable ☐ Not applicable

Unit: 0'000 Yuan Currency: RMB

No.	Customer name	Sales	As a percentage of total annual sales (%)	Whether a related party of the Company
1	CRRC Group	1,079,882	37.62	Yes
2	Customer 2	263,775	9.19	No
3	Customer 124082	103,318	3.60	No
4	Customer 107823	69,522	2.42	No
5	Customer 126052	63,363	2.21	No
Total	/	<u>1,579,860</u>	<u>55.04</u>	/

Report of the Directors

Sales to a single customer exceeded 50% of the total, the top 5 customers included new customer(s), or there was a heavy reliance on few customers during the reporting period

☐ Applicable ☒ Not applicable

The top five sales customers of the Company's trade business whose trade business revenue accounted for more than 10% of the total revenue during the reporting period

☐ Applicable ☒ Not applicable

B. Information about major suppliers of the Company

☒ Applicable ☐ Not applicable

The purchase from the top five suppliers was RMB3,034.76 million, accounting for 16.98% of the total annual purchase amount, of which purchase from related parties was RMB1,818.43 million, accounting for 10.17% of the total annual purchase amount.

Except for CRRC Group which is an indirect controlling shareholder of the Company, none of the Directors or any of their respective close associates or shareholders holding 5% or more of the Company's shares had an interest in top five suppliers.

Top five suppliers of the Company

☒ Applicable ☐ Not applicable

Unit: 0'000 Yuan Currency: RMB

No.	Supplier name	Purchase amount	As a percentage of total annual purchase amount (%)	Whether a related party of the Company
1	CRRC Group	181,843	10.17	Yes
2	Supplier 800511	51,088	2.86	No
3	Supplier 738149	33,907	1.90	No
4	Supplier 701699	20,139	1.13	No
5	Supplier 712161	16,499	0.92	No
Total	/	<u>303,476</u>	<u>16.98</u>	/



Report of the Directors

Purchase from a single supplier exceeded 50% of the total, the top 5 suppliers included new supplier(s), or there was a heavy reliance on few suppliers during the reporting period

☐ Applicable ☒ Not applicable

Top five suppliers in the Company's trading business whose trading revenue accounted for more than 10% of total revenue during the reporting period

☐ Applicable ☒ Not applicable

C. The Company recorded trading business revenue during the reporting period

☐ Applicable ☒ Not applicable

3. Expenses

☒ Applicable ☐ Not applicable

Reasons for changes in selling expenses: the selling expenses in the reporting period amounted to RMB587 million, which was basically flat compared with the same period last year.

Reasons for changes in administrative expenses: the administrative expenses in the reporting period amounted to RMB1,227 million, up 4.97% year on year, mainly due to the increase in management staff salaries.

Reasons for changes in finance costs: the net finance income in the reporting period amounted to RMB281 million, compared with RMB146 million in the same period last year, mainly due to the increase in interest income and foreign exchange gains.

Reasons for changes in R&D expenses: R&D expenses in the reporting period amounted to RMB3,011 million, an increase of 13.35% compared with the same period last year, mainly due to the increase in R&D personnel costs and R&D material consumption.

4. Cash flow

☒ Applicable ☐ Not applicable

Reasons for changes in net cash flow from operating activities: during the reporting period, net cash flow from operating activities was a net inflow of RMB3.965 billion, an increase of 17.96% over the same period of last year, mainly due to the increase in cash received from the sale of goods and the rendering of services.

Reasons for changes in net cash flow from investing activities: during the reporting period, net cash flow from investing activities was a net outflow of RMB6.520 billion, mainly due to the decrease in cash received from recovery of investments.

Reasons for changes in net cash flow from financing activities: during the reporting period, net cash flow from financing activities was a net outflow of RMB703 million, a year-on-year decrease of 254.04%, mainly due to the decrease in cash received from capital contributions from minority shareholders of subsidiaries.

Report of the Directors

(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 Currency: RMB

Item	Closing balance of the current period	Percentage of closing balance of the current period in total assets (%)	Closing balance of the previous period	Percentage of closing balance of the previous period in total assets (%)	Change in closing balance of the current period over the previous period (%)	Note
Cash and bank balances	6,713,862,572	9.31	10,652,179,214	16.44	-36.97	(1)
Held-for-trading financial assets	1,000,300,274	1.39	3,533,861,455	5.45	-71.69	(2)
Bills receivable	5,294,265,231	7.34	3,224,588,596	4.98	64.18	(3)
Prepayments	749,333,113	1.04	581,863,392	0.90	28.78	(4)
Non-current assets due within one year	1,132,085,530	1.57	2,628,347,569	4.06	-56.93	(5)
Other current assets	986,862,597	1.37	2,071,940,937	3.20	-52.37	(6)
Fixed assets	11,394,887,172	15.81	8,594,961,720	13.26	32.58	(7)
Construction in progress	3,463,141,312	4.80	2,312,618,688	3.57	49.75	(8)
Right-of-use assets	416,531,090	0.58	279,746,716	0.43	48.90	(9)
Long-term prepaid expenses	23,356,690	0.03	17,940,557	0.03	30.19	(10)
Other non-current assets	11,252,305,871	15.61	3,513,755,035	5.42	220.24	(11)
Bills payable	8,703,157,466	12.07	5,816,830,991	8.98	49.62	(12)
Other payables	3,753,027,316	5.21	1,869,975,564	2.89	100.70	(13)
Non-current liabilities due within one year	975,638,239	1.35	743,193,133	1.15	31.28	(14)
Lease liabilities	298,727,328	0.41	187,969,883	0.29	58.92	(15)
Deferred income	562,194,753	0.78	420,037,069	0.65	33.84	(16)



Report of the Directors

Other explanations

- (1) Mainly due to the increased cash outflows from investing activities and financing activities during the reporting period;
- (2) Mainly due to the maturity of held-for-trading financial assets during the reporting period;
- (3) Mainly due to the increase in customer collections via issuance or endorsement of bank acceptance bills compared with the previous year;
- (4) Mainly due to the increase in advance payments for materials during the reporting period compared with the previous year;
- (5) Mainly due to the decrease in the portion of certificates of deposit held at the end of the reporting period that will mature within one year;
- (6) Mainly due to the decrease in certificates of deposit purchased during the reporting period with a maturity of less than one year;
- (7) Mainly due to the increase in construction-in-progress production lines completed and transferred to fixed assets during the reporting period;
- (8) Mainly due to the promotion of production line expansion to advance the capacity expansion of new businesses during the reporting period;
- (9) Mainly due to the increase in new lease contracts signed during the reporting period;
- (10) Mainly due to the increase in lease improvement expenditures during the reporting period;
- (11) Mainly due to the increase in certificates of deposit with a maturity longer than one year at the end of the reporting period;
- (12) Mainly due to the increase in payments to suppliers via the issuance of bills during the reporting period;
- (13) Mainly due to the increase in payables related to the purchase of fixed assets and other current payables during the reporting period;
- (14) Mainly due to the increase in provisions due within one year at the end of the reporting period;
- (15) Mainly due to the increase in new lease contracts signed during the reporting period;
- (16) Mainly due to the increase in government grants received during the year.

Causes and impact of the Company not being profitable yet

☐ Applicable ☒ Not applicable

2. Overseas assets

☒ Applicable ☐ Not applicable

(1) Asset size

Where: Overseas assets amounted to RMB2,299,027,982, accounting for 3.19% of total assets.

(2) Explanation on the high proportion of overseas assets

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

For details, please refer to “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) Analysis of Industry Operational Information

☒ Applicable ☐ Not applicable

For details, please refer to “Chairman’s Statement” and “Report of the Directors” of this report.



Report of the Directors

(V) Investment Analysis

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
–	80,573,528	-100.00%

During the reporting period, the Company had no additional external equity investments. The amount of external equity investments in the same period last year was RMB80,573,528, which was the capital increase of RMB47,000,000 in Zhixin Semiconductor Co., Ltd. presented in long-term equity investment and the capital increase of RMB33,573,528 in Xicheng CRRC (Wuxi) Urban Transit Transport Engineering Co., Ltd. presented in investment in other equity instruments, respectively.

As of the end of the reporting period, the balance of external equity investments of the Group was RMB813,726,934, representing a decrease of 3.04% compared with RMB839,267,940 at the beginning of the year. Among them, the year-end balance of long-term equity investments in associates and joint ventures was RMB528,664,234, representing a decrease of 7.65% compared with RMB572,444,420 at the beginning of the year, which includes the refund of paid-in capital of RMB25,000,000 from Goxin Semiconductor. For details, please refer to “VII. Notes to the Consolidated Financial Statements – 12. Long-term Equity Investments” in the financial report. The year-end balance of other equity instrument investments was RMB285,062,700, representing an increase of 6.84% compared with RMB266,823,520 at the beginning of the year due to changes in fair value. For details, please refer to “VII. Notes to the Consolidated Financial Statements – 13. Other Equity Instrument Investments” in the financial report.

Report of the Directors

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 balance	Gain 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 in the current period	Disposal/ redemption amount in the current period	Other changes	Closing balance
Held-for-trading financial assets	3,533,861,455	8,409,644	-	-	1,000,000,000	3,520,000,000	-21,970,825	1,000,300,274
Bills receivable measured at fair value	1,286,784,981	-	-13,976,100	-	-	-	989,142,652	2,261,951,533
Trade receivables measured at fair value								
– Yunxin	2,534,918,377	-	20,424,814	-	-	-	-1,123,940,244	1,431,402,947
Other equity instrument investment	266,823,520	-	18,239,180	-	-	-	-	285,062,700
Total	<u>7,622,388,333</u>	<u>8,409,644</u>	<u>24,687,894</u>	<u>-</u>	<u>1,000,000,000</u>	<u>3,520,000,000</u>	<u>-156,768,417</u>	<u>4,978,717,454</u>

Securities investment

☐ Applicable ☒ Not applicable

Derivatives investment

☒ Applicable ☐ Not applicable



Report of the Directors

(1) Derivative investments for hedging purposes during the reporting period

✓ Applicable ☐ Not applicable

Unit: RMB0'000 Currency: RMB

Type of derivatives investment	Initial investment amount	Opening book value	Gain or loss from fair value changes in the current period	Accumulated fair value changes included in equity	Amount purchased in the reporting period	Amount sold in the reporting period	Closing book value	Closing book value as a percentage of the Company's net assets at the end of the reporting period (%)
Foreign exchange forward contracts	0.00	0.00	-142.15	0.00	17,500.65	17,358.50	0.00	0.00
Total	0.00	0.00	-142.15	0.00	17,500.65	17,358.50	0.00	0.00
Accounting policies and specific accounting principles for hedging business during the reporting period, and explanations on whether there are significant changes compared with the previous reporting period	No material changes							
Explanation on actual gain or loss during the reporting period	The actual loss of the Company's foreign exchange forward contracts was RMB3,101,300, which was hedged against the corresponding underlying assets.							
Description of hedging effect	The Company generates foreign currency collection and payment business due to daily operations, and uses ordinary forward instruments for hedging. Through forward contracts, the Company locked up the procurement cost, reduced the risk of foreign exchange rate fluctuations, and secured its operating profit.							
Sources of funds for derivatives investment	Self-owned funds							

Risk analysis and description of control measures for derivatives positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)

1. Risk analysis of the Company's foreign exchange derivatives trading business

(1) Market risk

Foreign exchange rates may fluctuate significantly due to changes in domestic and overseas economic situation, exposing the Company's foreign exchange derivatives trading to certain market risks. In reviewing foreign exchange derivatives trading business and annual plan, the Company strictly adheres to the principle of hedging and the purpose of reducing risk exposure of its principal operations, selects derivative products with simple structure, manageable risks and strong liquidity, and matches the business structure with its principal operations in terms of variety, size, direction, term and other elements of exposure positions to ensure the hedging relationship between its derivatives business and the hedged underlyers. Speculative trading is prohibited to effectively guard against market risks.

(2) Operational risk

Foreign exchange derivatives business is highly professional and complex, and certain risks may be caused by operators who fail to understand derivatives information in time or at all, or fail to execute transactions in accordance with rules and policies. The Company will continuously improve its foreign exchange risk management system, clearly separate front, middle and back offices for derivatives business, ensure that operators have relevant experience or business qualifications, and strictly prevent operational risks through employee audits, systematic controls and hierarchical authorisation and approval mechanisms.

(3) Liquidity Risk

Unreasonable purchase arrangement of foreign exchange derivatives may trigger liquidity risk of the Company's funds. The foreign exchange derivatives are based on the Company's foreign exchange assets and liabilities and match with the actual foreign exchange income and expenditure, and the Company selects appropriate foreign exchange derivatives in a timely manner and appropriately chooses net settlement foreign exchange derivatives, which can ensure that there are sufficient funds for settlement at the time of delivery, so as to reduce liquidity risk.

(4) Performance risk

If the counterparty of foreign exchange derivatives fails to execute contract at the agreed price upon expiry, the corresponding foreign exchange exposure would not be closed, leading to a failure in managing exchange rate risk as expected. The counterparties of foreign exchange derivatives transactions of the Company are all large commercial banks with high credit ratings and long-term business relationship with the Company, so as to avoid performance risk.



Report of the Directors

2. Risk prevention and control measures adopted by the Company for foreign exchange derivatives trading business
 - (1) All foreign exchange derivatives trading varieties carried out by the Company are those with simple structure, manageable risks and strong liquidity that are closely related to the basic business, and such foreign exchange derivatives match the basic business in terms of variety, size, direction, term, etc., so as to follow the Company's prudent and robust risk management principle, avoid speculative transactions and effectively guard against market risks.
 - (2) The Company has formulated the strict Administrative Measures for Financial Derivatives Business and the Operation Manual for Financial Derivatives Business, which clearly stipulate the operating principles, approval authority, department setting and staffing, internal operation process, internal risk reporting system and risk handling procedures, information disclosure and information isolation measures of foreign exchange derivatives transactions to avoid operational risk.
 - (3) The Company will carefully select counterparties for foreign exchange derivatives trading, requiring them to be large commercial banks with high credit ratings and long-term business relationship with the Company, strictly review the terms of contracts entered into with qualified financial institutions and strictly implement the risk management system to effectively avoid performance risk.
 - (4) The internal audit department of the Company is responsible for reviewing and evaluating the derivatives transactions on a regular basis.

Changes in market price or fair value of the invested derivatives during the reporting period; the analysis of fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters

During the reporting period, the Company's foreign exchange hedging transaction varieties were ordinary forward foreign exchange contracts, and the prices in the valuation notices from banks were used as fair value of the contracts.

Litigation (if applicable) Not applicable

Date of announcement of the Board on approval of derivatives investment (if any) 29 March 2025

Date of announcement on approval of derivatives investment at general meeting (if any) Not applicable

Report of the Directors

(2) Derivatives investment for speculation purpose during the reporting period

☐ Applicable ☒ Not applicable

Other explanations

None

4. *Investment in private equity investment fund*

☐ Applicable ☒ Not applicable

Other explanations

None

5. *Progress of major asset restructuring and consolidation during the reporting period*

☐ Applicable ☒ Not applicable

(VI) Sale of Major Assets and Equity Interests

☐ Applicable ☒ Not applicable

(VII) Analysis of Major Subsidiaries and Associates

☒ Applicable ☐ Not applicable

Information on major subsidiaries and associates whose impact on the Company's net profit exceeded 10%

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Company name	Corporate type	Principal business	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Zhuzhou CRRC Times Semiconductor Co., Ltd.	Subsidiary	Research, development, production and sales of power semiconductor devices	5,647,633,598	18,083,451,793	11,756,921,789	5,531,576,882	925,554,153	925,734,883



Report of the Directors

Information on the acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Not applicable

Other explanations

☐ Applicable ☒ Not applicable

(VIII) Structured Entities Controlled by the Company

☐ Applicable ☒ Not applicable

VI. DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry Landscape and Trends

☒ Applicable ☐ Not applicable

As an important component of the modern transportation system and a major livelihood project, railways have made significant contributions to boosting economic recovery and facilitating public travel. According to authoritative documents including the Outline of the Strategic Plan for Railway Pioneering in Building a Transport Power in the New Era and the national railway development plans, the national railway operating mileage is expected to reach approximately 180,000 kilometers by the end of 2030. Among them, high-speed railways will increase from 50,000 kilometers to 60,000 kilometers, with growth rates lower than those during the 14th Five-Year Plan period. By the end of the 14th Five-Year Plan period, China's railway infrastructure network had become relatively complete. The national development focus has gradually shifted from large-scale construction to "strengthening weak areas, enhancing integration, and improving quality and efficiency", namely the optimization, operation and maintenance, and intelligent upgrading of the existing network. Meanwhile, approvals for new railway projects by the National Development and Reform Commission and other authorities have been tightened, resulting in a notable slowdown in railway investment growth. The entire market is shifting from "competition for incremental expansion" to "competition for existing stock". Against the deeper implementation of the regional coordinated development strategy, as well as national strategies including the "new infrastructure" initiative, accelerated networking of urban rail transit in city clusters and metropolitan areas, and faster development of suburban (metro-area) railways, intercity railways and suburban (metro-area) railways will embrace growth. With the expanding stock of rail transit equipment and the continuous entry of equipment into the maintenance cycle, the inspection, repair and maintenance market is expected to grow further. The rail transit industry is an important pillar for national economic development and safe operation. In terms of the domestic market competition landscape, Beijing Zongheng Electromechanical Technology Co., Ltd., a subsidiary of China Academy of Railway Sciences, maintains strong competitiveness in the EMU traction converter system market thanks to its rich experience in product R&D, manufacturing and on-board operation. It has achieved full coverage in the railway industry and continuously strengthened its market development efforts. In addition, subsidiaries of CRRC Corporation Limited, including CRRC Qingdao Sifang Rolling Stock Research Institute Co., Ltd., CRRC Yongji Motor Co., Ltd., CRRC Dalian Locomotive Research Institute Co., Ltd., and CRRC Dalian Electric Traction R&D Center Co., Ltd., are also engaged in businesses related to rail transit traction converter systems, which places them in partial competition with the Company. In the overseas market competition landscape, developed markets have long been dominated by leading international enterprises such as Siemens AG, Alstom SA, and Bombardier Inc., which have formed a relatively mature industrial ecosystem in terms of technological accumulation, brand influence and market layout. Against this background, relevant Chinese enterprises have continued to advance their internationalization strategies and actively explore overseas markets, while continuously addressing systematic challenges including technical standards, market access, and local integration.



Report of the Directors

The overall trend of urban rail transit construction has slowed down, with local governments facing high debt ratios and significantly tightened fiscal policies, and urban rail transit has shifted from rapid construction to a stage of high-quality operation. At the same time, against the background of the national strategy of carbon peaking and carbon neutrality, the China Urban Rail Transit Association has successively issued four documents during the “14th Five-Year Plan” period, namely the “Outline for the Development of Smart Urban Rail Transit in China”, the “Action Plan for Green Urban Rail Transit in China”, the “Guidelines for the Integrated Development of Urban Rail Transit in China” and the “Development Plan for Domestic Innovation-Driven Urban Rail Transit in China”, which have pointed out the direction for the development of the urban rail transit industry and outlined a comprehensive, systematic and highly forward-looking development blueprint. These four documents are closely linked and complementary to each other: the standard system of smart urban rail transit provides a basis for green evaluation, integrated coordination and domestic innovation verification; the energy-saving indicators of green urban rail transit force the optimization of smart technologies and domestic innovation breakthroughs; cases of integrated urban rail transit feed back the technological iteration of smart, green and domestic innovation; the achievements of domestic innovation-driven urban rail transit support the large-scale implementation of smart, green and integrated development. With smart efficiency improvement, green carbon reduction, integrated value-added and domestic innovation as the foundation, the four aspects of “smart, green, integrated and innovative” together form a new strategic system of “led by independent innovation and multi-dimensional coordinated development” for China’s urban rail transit. In terms of the competitive landscape, relying on in-depth cooperation with owners in some regions, Jiangsu Jingwei Rail Transit Equipment Co., Ltd. obtained traction systems for more than 600 metro vehicles in Jinan, Xiamen, Nanjing and other places in 2025, maintaining strong market competitiveness, and Xinyu Bombardier Traction Systems Co., Ltd. obtained traction systems for nearly 200 metro vehicles in Shijiazhuang, performing actively in market competition.

Achieving carbon peaking and carbon neutrality is an extensive and profound systemic economic and social transformation. With the in-depth advancement of the national “dual carbon” strategy, a hundreds-of-billions-level new energy market with great growth potential has been fostered. Emerging industries highly aligned with the national “dual carbon strategy”, such as wind-solar-storage-hydrogen equipment, photovoltaic projects, automotive electric drive systems, power semiconductors and sensors, are currently developing rapidly, also providing enterprises with broad market space. In terms of the competitive landscape, the oligopoly effect in the photovoltaic inverter market continued in 2025, and Sungrow Power Supply Co., Ltd., Huawei Digital Energy Technology Co., Ltd., CRRC Times Electric Co., Ltd., Tebian Electric Apparatus Stock Co., Ltd. and Sineng Electric Co., Ltd. still remained in the first echelon. In the wind power converter market, leading enterprises in the industry such as Sungrow Power Supply Co., Ltd., Shenzhen Hopewind Electric Co., Ltd. and Xinjiang Goldwind Science & Technology Co., Ltd. still occupied important market shares. According to NE Times statistics, in 2025, Fudi Power Co., Ltd.’s electric drive system installed capacity retained the first place with a 19.1% share, relying on the continuous strong sales of BYD Dynasty and Ocean Network models to provide a solid foundation; Huawei Digital Energy Technology Co., Ltd. ranked second with 809,500 units and an 8.2% share; Tesla Inc.’s slight increase of 1.1% also reflects that the optimization of its local supply chain has entered a stable period, and the top three enterprises accounted for more than 35% of the market share. In the power semiconductor market, Hangzhou Silan Microelectronics Co., Ltd. gave play to the advantages of the IDM model, with core chip production lines operating at full capacity and SiC production lines gradually ramping up; in addition, international leading enterprises represented by Infineon Technologies AG have maintained long-term technological and market leadership through long-term accumulation. In the sensor market, LEM S.A. ranked first in the global power sensor market; in addition, domestic player Anhui Sinomags Technology Co., Ltd. has developed rapidly in the magnetic sensor market in recent years, becoming another major competitor of the Company, and officially submitted an application for listing in 2025.

(II) Development Strategy of the Company

✓ Applicable ☐ Not applicable

The Company will fully align with national strategies, fully recognize its responsibilities and missions, focus on its core businesses, fully leverage the advantages of coordinated development of its six industrial sectors, and further achieve high-quality development. Under the guidance of the development vision of “Building a Green and Smart New Era through Technological Innovation”, the Company has established the “1246” strategic framework:

Anchor the first-class positioning and adhere to one main line. With the goal of building a world-class enterprise, we will become a world-class electrical system solution provider in the transportation and energy sectors; take high-quality development as the main line, and drive the continuous improvement of profitability through the improvement of management capabilities, optimization of industrial structure, and iteration of technologies and products.

Focus on two approaches and fulfill dual responsibilities. We will actively serve national major strategies through two approaches: continuously improving core competitiveness and enhancing core functions. Internally, we will cultivate the two core competitiveness of converter and control technologies to shape sustainable efficiency-creating competitive advantages; externally, we will assume the mission of “serving the country’s major interests” to achieve the resonance between national strategic missions and corporate value creation.

Adhere to the “Four Higher Standards” and create outstanding value. Through high-quality and efficient operation, we will build a CRRC with “Four Higher Standards” that enjoys higher social respect, higher shareholder recognition, higher customer satisfaction and higher employee happiness.

Develop six industrial sectors and build six core competencies. We will focus on fostering six industrial sectors featuring balanced and tiered development: rail transit, semiconductors, automotive, new energy, marine and industrial sectors; and strengthen the six core competencies: Party-building leadership, technological leadership, sector-based governance, reform empowerment, digital-intelligent development, and global operations.



Report of the Directors

(III) Business Plan

☒ Applicable ☐ Not applicable

In 2026, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company will fully implement the guiding principles of the 20th National Congress of the Communist Party of China (CPC) and all its plenary sessions. Centering on the master line of high-quality development, we will advance the building of a great modern socialist country and the great rejuvenation of the Chinese nation in all respects through Chinese modernization. We will adhere to innovation-driven development, accelerate intelligent transformation, strengthen quality control, and enhance profitability. We will continue to promote the balanced and tiered development of the six industrial sectors, striving to scale new heights on the new journey of the 15th Five-Year Plan.

(IV) Miscellaneous

☐ Applicable ☒ Not applicable

VII. OTHER DISCLOSURES

Corporate Information

The Company is a joint stock limited company incorporated in the PRC on 26 September 2005. The Company's H Shares were listed on the Main Board of the Hong Kong Stock Exchange on 20 December 2006. The Company's A Shares were listed on the Science and Technology Innovation Board of the SSE on 7 September 2021.

The basic information of the Company is set out in "Company Profile and Key Financial Indicators" of this annual report.

Reserves

Details of changes in the reserves of the Company are set out in the Consolidated Statement of Changes in Equity of this annual report prepared under the China Accounting Standards for Business Enterprises.

Reserves Available for Distribution

For details of the reserves of the Company available for distribution, please refer to "(VII) Notes to Key Items of the Consolidated Financial Statements – 43. Retained earnings" to the financial report of this annual report prepared under the China Accounting Standards for Business Enterprises.

Taxation

Details of the taxation of the Group for 2025 are set out in note "VI. Taxation" to the financial report of this annual report.

Events after the Balance Sheet Date

Details of the events after the balance sheet date of the Group are set out in the note "XVII. Events After the Balance Sheet Date" to the financial report of this annual report.

Share Capital

For details of the share capital of the Company, please refer to the relevant section headed "Changes in Shares and Particulars of Shareholders" of this annual report.

Purchase, Sale or Redemption of Listed Securities of the Company

During the reporting period and up to 24 February 2026, the Company repurchased a total of 44,655,500 H Shares in the Share capital with a nominal value of RMB1 each on the Stock Exchange, at a total consideration of approximately HK\$1,382,096,613.38 (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
February 2026	283,900	44.7	42.46	12,325,257.36

37,313,100 H Shares repurchased by the Company during the period from 17 December 2024 to 20 February 2025 were cancelled on 26 February 2025; 11,391,300 H Shares repurchased during the period from 30 April 2025 to 5 June 2025 were cancelled on 19 June 2025; and the 283,900 H Shares repurchased during the period from 10 February 2026 to 24 February 2026 will be cancelled at an appropriate timing.

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities (including sale of treasury shares as defined under the SEHK Listing Rules) during the reporting period and up to the date of this report. As at 31 December 2025, the Company did not hold any 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, a general mandate was approved by Shareholders at the Company's 2023 annual general meeting, the 2024 first A Share class meeting and 2024 first H Share class meeting held on 27 June 2024, and at the Company's 2024 annual general meeting, the 2025 first A Share class meeting and 2025 first H Share class meeting held on 27 June 2025, respectively, pursuant to which the Directors repurchased the H Shares.

Performance and Distribution

The performance of the Group for the year ended 31 December 2025 and the financial position of the Group as at 31 December 2025 are set out in "Financial Report" of this report.

The implementation of cash dividend policy of the Company during the reporting period is set out in "Corporate Governance Report – X. Plan for Distribution of Profits or Transfer of Capital Reserve Fund" of this annual report.

Distribution Plan and Policy of Dividend

The Company's distribution plan and policy of dividend is set out in "Corporate Governance Report-X. Plan for Distribution of Profits or Transfer of Capital Reserve Fund" of this annual report.



Report of the Directors

Bank Loans and Other Loans

Details of the bank loans and other loans of the Company as at 31 December 2025 are set out in Note “23. Short-term borrowings” and “32. Long-term Borrowings” in “VII. Notes to Key Items of the Consolidated Financial Statements” to the financial report of this annual report prepared under the China Accounting Standards for Business Enterprises.

Property, Plant and Equipment

Details of changes in the property, plant and equipment of the Company in 2025 are set out in “14. Fixed Assets” and “16. Right-of-use Assets” in “VII. Notes to Key Items of the Consolidated Financial Statements” to notes to the financial statements in the financial report of this annual report prepared under the China Accounting Standards for Business Enterprises.

Information of Directors, Supervisors and Senior Management of the Company

Details of information of Directors, Supervisors and senior management of the Company are set out in “Directors, Supervisors, Senior Management and Employees” of this annual report. The Company has abolished the Supervisory Committee and will no longer appoint Supervisors commencing from 27 June 2025. Unless otherwise stated, Supervisors referred to herein are former Supervisors who have resigned on 27 June 2025.

Service Contracts with Directors and Supervisors

The Company has entered into service contracts with all Directors and supervisors which set out, among other things, their terms of office and remuneration. Each session of the Board has a term of three years. The term of office of a director elected to the new Board of Directors shall commence on the date of his election and end on the date on which the members of the next Board of Directors are elected at the shareholders’ meeting, or such other shorter term as may be determined by the shareholders’ meeting at that time. The term of office of a director appointed after the Board has assumed its new duties shall commence on the date of his appointment and end on the date on which the members of the next Board of Directors are elected at the shareholders’ meeting, or such other shorter term as may be determined by the shareholders’ meeting at that time. The term of the Supervisory Committee is also three years. The term of office of supervisors shall be determined in accordance with the provisions applicable to directors, except that for staff supervisors, the employees’ representative council meeting shall substitute for the shareholders’ meeting. The notice period for termination of the service contract by either party shall be not less than three months.

The Company has not entered into any service contract with any director or supervisor (including but not limited to directors proposed for re-election at the forthcoming annual general meeting and supervisors proposed for re-election at the forthcoming general meeting or employees’ congress) that cannot be terminated by the Company within one year without compensation (excluding statutory compensation).

Remuneration of Directors, Supervisors and Senior Management

Details of the remunerations of Directors, Supervisors and five highest paid individuals of the Company are set out in the note (XIV) Related Parties and Related Party Transactions – 5. Transactions Between the Group and its Related Parties – (7) Remuneration of Key Management Personnel to the financial report of this annual report.

Permitted Indemnity

The Company has arranged appropriate liability insurance policies for Directors, supervisors and senior management members, for the purpose of covering their liability arising out of the Group’s corporate activities.

Report of the Directors

Directors' and Supervisors' Interests in Contracts

During the year and as at 31 December 2025, none of the Directors or supervisors had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party.

Loans Provided to Directors, Supervisors and Senior Management of the Company

The Company did not provide Director(s), Supervisor(s) or other senior management with any loans or quasi-loans.

Directors' Interests in Competing Business

During the year and as at 31 December 2025, none of the Directors, directly or indirectly, had an interest in any business which competes or may compete with the business of the Company and/or its subsidiaries.

Interests and Short Positions of Directors, Supervisors and the General Manager in the Shares and Debentures

During the year and as at 31 December 2025, none of the Directors, supervisors and the general manager of the Company or their respective associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or any interests or short positions in the shares required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or any personal, family, corporate or other interests or short positions required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the SEHK Listing Rules (the "Model Code").

Directors' and Supervisors' Rights to Acquire Shares or Debentures

At no time during the year were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Directors, supervisors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors and supervisors to acquire such rights in any other body corporate.

Employee Retirement Plan

Details of the employee retirement plan of the Company are set out in "XVIII. Other Significant Events – 8. Other Financial Information" to the financial report of this annual report prepared under the China Accounting Standards for Business Enterprises.

Staff

Staff is the key for the Group's sustainable development. Details of the staff of the Group are set out in "Directors, Supervisors, Senior Management and Employees" of this report.



Report of the Directors

Mechanism for Protecting Non-controlling Interests

To protect non-controlling interests, the Company has established and implemented certain governance measures, which include:

- (1) In accordance with the Articles, directors who are interested in the transactions should disclose their respective interest, and shall not vote in respect of the transactions in which they are interested and shall not be counted towards the quorum of the meeting. Therefore, for the connected transactions between the Group and CRRC Group, Mr. Li Donglin, Mr. Shang Jing and Mr. Xu Shaolong did not vote in respect of the relevant Board resolutions and were not counted towards the quorum of the meetings approving the relevant resolutions due to conflict of interest.
- (2) An independent professional management team of the Group responsible for negotiating and reviewing the terms of transactions with the suppliers and customers (including CRRC Group) has been established. The members of the management team include the staff of the Group with relevant technical and sales expertise, and the terms of duties of the management team allow it to make independent business judgments. The management team reports to the Board, while the Board is accountable to the Shareholders of the Company as a whole.
- (3) The Company's auditor has provided quarterly reports to the independent non-executive Directors on all transactions conducted between the Group and CRRC Group.
- (4) When making purchases, the Group has endeavoured to obtain tenders or quotations from a number of independent suppliers, and select successful bidders (where applicable) based on objective standards such as the price and quality of products, delivery schedule and services.
- (5) Subject to (1) above, all independent non-executive Directors have attended the Board meetings for deciding whether the Group should conduct special transactions with CRRC Group.
- (6) The terms for the supply and purchase arrangements entered into between the Group and CRRC Group are subject to quarterly review by the independent non-executive Directors, and opinions regarding such transactions are disclosed by the Company to the Shareholders by way of announcements. Independent non-executive Directors may request an independent party having at least 10 years' experience in the locomotive and rolling stock manufacturing industry to participate in assessing the terms of the sales and purchases agreements, and to provide their opinions to the independent non-executive Directors.

Non-competition and Indemnity Deeds

The Company entered into a non-competition and indemnity deed with CRRC ZELRI and CRRC Group on 30 November 2006 (the “Non-Competition and Indemnity Deed”), pursuant to which CRRC ZELRI and CRRC Group respectively undertook not to, and procure any of its associates (as defined under the Hong Kong Listing Rules, excluding the Group) not to carry on businesses that are in competition with the Group’s businesses. In 2015, CSR merged with CNR and formed CRRC; China Northern Locomotive & Rolling Stock Industry (Group) Corporation merged with CSR Group and formed CRRC Group. As certain businesses of the subsidiaries of CNR overlap with those of the Group, there are certain business overlaps between CRRC Group and the Group. Accordingly, CRRC issued an undertaking letter regarding the avoidance of competition with the Company (the “Undertaking Letter”) to the Company on 5 August 2015, in which it provided non-competition undertakings as follows:

- 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 the Company;
- CRRC further granted 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 conditions, and the sale to the third party may only be effected after the Company declined to purchase the competing business;
- the decision of the Company to exercise the aforesaid option and the pre-emptive right to purchase shall be made by the independent non-executive Directors of the Company;
- the exercise of the aforesaid option and the pre-emptive right to purchase 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;
- the aforesaid non-competition undertaking will be effective from the date of issuance to the time when the Company is de-listed or CRRC ceases to be an indirect controlling Shareholder of the Company.



Report of the Directors

The independent non-executive Directors have reviewed the compliance issue of the Non-Competition and Indemnity Deed with CRRC ZELRI and CRRC Group (excluding the Group) for the year ended 31 December 2025, and reviewed relevant information provided by CRRC ZELRI and CRRC Group (excluding the Group). The independent non-executive Directors were of the opinion that:

- (1) CRRC ZELRI complied with the relevant terms of the Non-Competition and Indemnity Deed in 2025. CRRC ZELRI carried on its businesses independent of the Group's businesses, having different technology applications and different customers, which would not be in competition with that of the Group;
- (2) in 2025, CRRC Group continued to procure CRRC to perform its undertakings to the Company; and
- (3) the Board operated and managed the Company's businesses independently in the interests of the Company and the Shareholders as a whole.

In December 2020, in order to meet the requirements of the issue and listing of A Shares of the Company, each of CRRC Group and CRRC ZELRI has further issued to the Company, among others, an undertaking letter regarding the avoidance of competition with the Company (the "2020 Undertaking Letters"). For details, please refer to the section headed "Significant Events – Performance of Undertakings" in this annual report.

Sufficiency of Public Float

According to publicly available information and as far as the Directors were aware, as at the date of this report, there was a sufficient public float of the Company's issued shares as required under the SEHK Listing Rules.

Taxation

Pursuant to the provisions of the Corporate Income Tax Law of the PRC and the Implementing Regulations of the Corporate Income Tax Law of the PRC implemented in 2008, effective from 1 January 2008, any PRC domestic enterprise shall withhold the corporate income tax upon the distribution of dividends payable to the Shareholders being non-resident enterprises (legal persons) for accounting periods starting from 1 January 2008, and the payer shall serve as the withholding agent. The Company will strictly abide by the law and identify all Shareholders who are subject to the withholding and payment of corporate income tax, whose names appear in the Company's register of members as holders of H shares on the record date and who are not individuals (including HKSCC Nominees Limited, other corporate nominees or trustees, and other entities or organisations which are all considered as non-resident enterprise Shareholders, but excluding any H shares of the Company registered in the name of HKSCC Nominees Limited which are held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder on behalf of investors who invest in the H shares of the Company through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect), the Company will distribute the relevant dividends after deducting corporate income tax of 10%.

Pursuant to the requirements of Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994] 020) (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)), individual foreigners are exempt from individual income tax on dividend and bonus from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, the individual Shareholders who hold the H shares of the Company and appear in the H-share registrar are not required to pay the individual income tax of the PRC.

Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (財稅[2014]81號), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H shares companies shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The H shares companies will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Pursuant to the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (財稅[2016]127號), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H shares companies shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The H shares companies will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Save as disclosed above, for the year ended 31 December 2025, no foreign shareholder who is non-PRC resident is liable to individual or corporate income tax, capital gains tax, stamp duty or estate duty of the PRC in relation to their holding of the H shares of the Company. Shareholders are urged to consult their tax advisers regarding the applicable PRC and Hong Kong tax laws and other tax consequences of the ownership and disposal of the H shares of the Company.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into by the Group or existed during the reporting period.

Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares

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

Arrangements for Share Pre-emptive Right and Stock Option

In 2025, no arrangement for Share pre-emptive right and stock option was made by the Company, as there are no specific provisions under the PRC laws or the Articles of Associations regarding share pre-emptive right.

Connected Transactions

The connected transactions of the Company are set out in “Significant Events” of this report.



Report of the Directors

Related Party Transactions

The Group entered into certain transactions with the relevant parties considered to be “related parties” pursuant to applicable accounting standards during the reporting period. Details of the related party transactions entered into by the Group during the reporting period are disclosed in note “XIV. Related Parties and Related Party Transactions” to the financial report. Save as disclosed in this report, the related party transactions disclosed in note “XIV. Related Parties and Related Party Transactions” were neither considered to be connected transactions as defined by the Hong Kong Listing Rules nor exempted from the reporting, announcement and shareholders’ approval requirements pursuant to the Hong Kong Listing Rules.

Non-exempt Connected Transactions

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

Audit Committee

The audit committee of the Company has reviewed the annual results and the annual report of the Company for 2025 as well as the audited consolidated financial statements for the year ended 31 December 2025 of the Company.

Accounting Policies

Changes to the accounting policies of the Company are set out in “V. Significant Accounting Policies and Accounting Estimates – 41. Changes in Significant Accounting Policies and Accounting Estimates” in the financial report.

Auditors

At the 2024 annual general meeting of the Company held on 27 June 2025, the Resolution on Engagement of Auditor of the Company for 2025 was considered and approved, pursuant to which, the Company engaged KPMG Huazhen LLP as its auditor for financial reporting and internal control audit in 2025.

Details on change of auditors by the Company in the past three years are set out in “Explanation on the Change in the Employment of Auditors during the Audit Period” under section VIII “Significant Events” in 2022 Annual Report.

Environmental Policy and Performance

For details, please refer to the 2025 Environmental, Social and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. published by the Company on the websites of the SSE and the Stock Exchange.

Compliance with Laws and Regulations

The Group has formulated the compliance procedures to ensure compliance with the applicable laws, rules and regulations that have a significant impact on it. The securities and legal affairs department and other relevant departments of the Company are responsible for supervising the policies and practices for compliance with laws and supervision by reviewing the same regularly. The relevant employees and subsidiaries will be notified from time to time of any material change in the applicable laws, rules and regulations.

The Group has complied with relevant applicable laws, rules and regulations of the jurisdictions in which the Group operates in all material aspects and has obtained relevant qualifications required for the provision of products and/or services. During the year and as far as the Company is aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on its business and operations.

Relationship with Employees

The Group provides a harmonious and professional working environment to employees and ensures that all of them are reasonably remunerated. The Company regularly optimises and updates its policies on remuneration and benefits, training as well as occupational health and safety in accordance with laws and policy requirements at all levels. Details of the employees of the Company are set out in “Employees and remuneration policy”.

During the reporting period, there were no material disputes between the Group and its employees.

Relationship with Customers

The customers of the national railway business are mainly the automakers under the CRRC Group and the railway bureaus under State Railway Group. The target customers of the said market are clear, with relatively high level of customer concentration. The customers in urban railway market and industrial markets are relatively dispersed. The Group recognises the importance of maintaining good cooperative relationship with its customers to achieve win-win results. In the course of business operation, the Company pays close attention to the benefits of the customers and communicates with them smoothly through dedicated account managers, green service centers, customer satisfaction and compatibility survey, and business and technology exchange, with a view to fully understanding, collecting and analysing their concerns and making responses positively, so as to continuously improve its own operation ability and the ability to serve its customers.

During the reporting period, there were no material disputes between the Group and its customers.

Relationship with Suppliers

The raw materials and parts of the Group are mainly obtained from external procurement, with some provided by internal production of the corporation. The Group implements strategic procurement and values the development of long-term relationship with its business partners. It has always striven to cooperate with its business partners to create and share value to achieve mutual development and win-win results. The Group established direct and stable supply channels with the suppliers. Through whole life cycle management and performance evaluation of the suppliers, the overall supply risk is reduced and the risk of excessive reliance on a single supplier is lower.

During the reporting period, there were no material disputes between the Group and its suppliers.

Donations

The Group did not make donations during the year.

Environmental, Social and Governance (ESG) Report

For details of the performance of social responsibilities by the Group during the reporting period, please refer to the 2025 Environmental, Social and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. published by the Company on the websites of the SSE and the Stock Exchange on the same date.



Directors, Supervisors, Senior Management and Employees

I. THE CHANGES IN SHAREHOLDING AND REMUNERATIONS OF CURRENT AND RESIGNED DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS DURING THE REPORTING PERIOD

✓ Applicable ☐ Not Applicable

Unit: share

Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Shareholding at the beginning of the year	Shareholding at the end of the year	Changes in shareholding during the year	Reason for change	Total before-tax remuneration obtained from the Company during the reporting period (RMB'000)	Whether to receive any remuneration from any related party of the Company
Li Donglin	Chairman of the Board, executive Director	Male	59	23 June 2020	26 June 2026	-	-	-	-	0	Yes
Shang Jing	Vice Chairman of the Board Executive Director	Male	49	12 June 2024 28 September 2020	26 June 2026	-	-	-	-	0	Yes
Xu Shaolong	Executive Director Secretary of Party Committee	Male	42	27 June 2024 29 December 2025	26 June 2026	-	-	-	-	117.06	No
Li Kaiguo	General manager Independent non-executive Director	Male	64	12 June 2024 21 October 2022	26 June 2026	-	-	-	-	11.90	No
Zhong Ninghua	Independent non-executive Director	Male	44	27 June 2023	26 June 2026	-	-	-	-	11.90	No
Lam Siu Fung	Independent non-executive Director	Male	52	27 June 2023	26 June 2026	-	-	-	-	27.03	No
Feng Xiaoyun	Independent non-executive Director	Female	64	27 June 2024	26 June 2026	-	-	-	-	11.90	No
Chen Zhiman	Employee Director	Female	52	9 December 2025	26 June 2026	-	-	-	-	17.89	No
Tan Yongneng	Secretary of Discipline Committee	Male	56	30 January 2018	-	-	-	-	-	115.74	No
	Chief administration officer			19 January 2010	26 June 2026	-	-	-	-		
	Chairman of the labour union			19 January 2010	-	-	-	-	-		
Gong Tong	Deputy general manager	Male	52	18 March 2020	26 June 2026	-	-	-	-	127.86	No
Yu Kang	Deputy general manager	Male	48	18 March 2020	26 June 2026	-	-	-	-	126.56	No
Hu Yunqing	Deputy general manager, chief engineer	Male	42	28 April 2023	26 June 2026	-	-	-	-	140.0	No
Yao Zhonghong	Deputy general manager	Male	48	28 April 2023	26 June 2026	-	-	-	-	112.21	No
Gan Weiwei	Deputy general manager	Male	42	28 March 2024	26 June 2026	-	-	-	-	100.55	No
Sun Shan	Deputy general manager, financial director	Female	48	28 March 2024	26 June 2026	-	-	-	-	86.49	No
Chai Duo	Deputy general manager	Male	42	15 October 2024	26 June 2026	-	-	-	-	87.37	No
He Zhengjun	Deputy general manager	Male	40	15 October 2024	26 June 2026	-	-	-	-	84.21	No

Directors, Supervisors, Senior Management and Employees



Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Shareholding at the beginning of the year	Shareholding at the end of the year	Changes in shareholding during the year	Reason for change	Total before-tax remuneration obtained from the Company during the reporting period (RMB'0'000)	Whether to receive any remuneration from any related party of the Company
Long Furong	Secretary to the Board, general legal counsel, chief compliance officer	Female	46	28 April 2023	26 June 2026	-	-	-	-	71.71	No
Wang Yeliu	Core technician	Male	44	12 October 2020	-	1,000	1,000	-	-	60.95	No
Zhang Dongfang	Core technician	Male	46	12 October 2020	-	-	-	-	-	62.53	No
Zhang Dinghua	Core technician	Male	47	12 October 2020	-	-	-	-	-	68.22	No
Dou Zechun	Core technician	Male	41	11 April 2024	-	-	-	-	-	74.15	No
Qi Yu	Core technician	Male	39	11 April 2024	-	-	-	-	-	116.15	No
Wu Qingli	Core technician	Male	44	3 March 2025	-	-	-	-	-	57.69	No
Zheng Huaxiong	Core technician	Male	43	3 March 2025	-	-	-	-	-	46.87	No
Cheng Zhenglin	Core technician	Male	43	3 March 2025	-	-	-	-	-	49.17	No
Li Cheng	Core technician	Male	39	3 March 2025	-	-	-	-	-	48.04	No
Niu Jie	Former secretary of Party Committee	Male	58	29 October 2018	29 December 2025	-	-	-	-	135.3	No
	Former deputy general manager			15 June 2012	1 January 2026	-	-	-	-		
Zhu Hongjun	Former core technician	Male	55	12 October 2020	3 March 2025	-	-	-	-	5.14	No
Ly Yang	Former core technician	Male	44	12 October 2020	3 March 2025	-	-	-	-	13.12	No
Zhang Min	Former core technician	Male	45	12 October 2020	3 March 2025	-	-	-	-	7.69	No
Liu Liangjie	Former core technician	Male	44	12 October 2020	3 March 2025	-	-	-	-	5.69	No
Total	/	/	/	/	/	1,000	1,000	/	/	2,001.09	/

- Notes: 1. "Total before-tax remuneration obtained from the Company during the reporting period" refers to the salaries, bonuses, allowances and subsidies actually paid by the Company for the year 2025, including the settlement of the 2024 annual salary, excluding the term incentive of RMB892,500 in previous years cashed by Xu Shaolong. It excludes employee benefits and various social insurances, housing provident funds and annuities borne by the Company.
2. Commencement dates of term of office of the above Directors refer to the term of office of the sixth and seventh session of the Board.
3. The Company has abolished the Supervisory Committee and will no longer appoint Supervisors commencing from 27 June 2025. Mr. Li Lue, Mr. Geng Jianxin, Mr. Shen Zhulin and Mr. Liu Shaojie ceased to be Supervisors. For details of their remunerations as Supervisors during the reporting period, please refer to "XIV. Related Parties and Related Party Transactions – 5. Transactions between the Group and its related parties – (7) Remuneration of key management personnel" in the "Financial Report" contained in this report.



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Li Donglin	Mr. Li Donglin, the 14th National People's Congress (第十四届全国人大代表), born in 1967, a Chinese citizen without permanent residency abroad. Mr. Li graduated from Southwest Jiaotong University with a bachelor's degree in Electric Traction and Drive Control in 1989. He is a senior engineer. Mr. Li joined CRRC ZELRI in July 1989 and held the positions of deputy chief engineer, deputy general manager of the rail transport department, director of the manufacturing centre, deputy general manager of the sales and marketing centre of CRRC ZELRI. Mr. Li served as the chief marketing officer of the Company from September 2005 to December 2007 and vice president and Party secretary of the Company from December 2007 to December 2009. From January 2010 to April 2010, he served as the general manager of the Company. From April 2010 to January 2016, he served as an executive director and the general manager of the Company. Mr. Li was a director, the general manager and deputy Party secretary of CRRC ZELRI from December 2015 to May 2018. He has been the Party secretary and chairman of the board of directors of CRRC ZELRI since May 2018. Mr. Li was the Vice Chairman of the Board and an executive Director of the Company from March 2017 to July 2018, and has been the Chairman of the Board and an executive Director of the Company since July 2018. He currently serves as the Chairman of the Board and an executive Director of the Company.
Shang Jing	Mr. Shang Jing, born in 1977, a Chinese citizen without permanent residency abroad. Mr. Shang graduated with a bachelor's degree in Mechanical and Electrical Engineering and a master's degree in Power System and Automation from Southwest Jiaotong University in July 2000 and April 2003, respectively. In December 2016, he graduated from Central South University with a doctor degree in control science and engineering. He is a professorate senior engineer. He joined CRRC ZELRI in July 2003 as an engineer at the R&D centre. He served as an engineer at the R&D centre, the director and the deputy director of the industrial drive department of the Company from September 2005 to May 2011, and the deputy director and the director of the foundation and platform research and development centre of CRRC ZELRI Research Institute from June 2011 to February 2015, respectively. He was also the vice chief engineer and the director of the foundation and platform research and development centre of CRRC ZELRI Research Institute from February 2015 to January 2016. He has been serving as the deputy director of the Management Committee of the National Key Laboratories of New Power Semiconductor Devices since February 2016. From January 2016 to September 2020, he served as a vice general manager and chief engineer of the Company. He served as an executive director and the general manager of the Company from September 2020 to May 2024, deputy secretary to the Party Committee, director and general manager of CRRC ZELRI since May 2024 and vice chairman of the Board and executive director of the Company since June 2024.

Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Xu Shaolong	Mr. Xu Shaolong, born in 1984, a Chinese citizen without permanent residency abroad, graduated from Zhejiang University in 2006 with a bachelor's degree in automation. In 2016, he graduated from Zhejiang University with a master's degree in electrical engineering. In 2023, he graduated from Central South University with a doctor's degree in transportation engineering, and is a professor level senior engineer. From August 2006 to April 2013, he was an engineer of the Company's technology center. From May 2013 to April 2014, he worked as an engineer of CRRC ZELRI research institute. From April 2014 to June 2017, he successively served as the system technology application engineer, the leader of the system technology group and the director of the transmission control department of the Company's technology center. From June 2017 to October 2020, he served as deputy director and director of the Company's rail transit technology center. He served as deputy general manager of the Company from November 2020 to January 2022. From January 2022 to June 2022, he served as the assistant general manager and general manager of industrial development division of CRRC ZELRI. From July 2022 to February 2023, he served as assistant general manager and general manager of comprehensive energy division of CRRC ZELRI. From March 2023 to June 2024, he served as deputy general manager and general manager of comprehensive energy division of CRRC ZELRI. From September 2023 to June 2024, he served as the secretary of the board of directors of CRRC ZELRI. He served as an executive Director and general manager of the Company from June 2024 to December 2025. He has served as Party Secretary, an executive Director and general manager of the Company since December 2025.
Li Kaiguo	Mr. Li Kaiguo, born in 1962, a Chinese citizen without permanent residency abroad. Mr. Li graduated from Hunan University in the PRC with a bachelor's degree in Engineering in 1983. He is a researcher level senior engineer, a Machinery Industrial Scientific Technology Specialist of the PRC, an expert entitled to special grants of the State Council, and the first batch of national candidates for the New Century Hundred-Thousand-Ten Thousand Talents Project* (新世紀百千萬人才工程國家級人選). During the period from August 1983 to February 2000, Mr. Li successively served as an engineer, the deputy head and the head of Component Testing Laboratory of Chongqing Automobile Research Institute* (重慶汽車研究所) ("CARI") (currently known as China Automotive Engineering Research Institute Co., Ltd* (中國汽車工程研究院股份有限公司) ("CAERI"), (stock code: 601965.SH)). Between July 1995 and February 2000, he also concurrently served as the general manager of the Automotive Test Equipment Development Centre* (汽車試驗設備開發中心) of CARI. Between February 2000 and November 2007, Mr. Li served as the deputy director and member of party committee of CARI. Between November 2007 and October 2013, Mr. Li served as the director, deputy general manager and member of party committee of China Automotive Engineering Research Institute Co., Ltd* (中國汽車工程研究院有限公司) (currently known as CAERI). Between October 2013 and May 2022, Mr. Li successively served as director, general manager, deputy secretary of party committee, secretary of party committee and chairman of CAERI. Since May 2022, Mr. Li has been the expert of CAERI. He has been an independent director of SERES Group Co., Ltd. (賽力斯集團股份有限公司) (stock code: 601127.SH, 09927.HK) since November 2022 and a concurrent independent director of Bethel Automotive Safety Systems Co., Ltd. (蕪湖伯特利汽車安全系統股份有限公司) (stock code: 603596.SH) since September 2024, and concurrent Chief Advisor to the Science and Technology Innovation Committee of China Certification & Inspection (Group) Co., Ltd. since February 2025. Mr. Li has been an independent non-executive Director of the Company since October 2022.



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Zhong Ninghua	Mr. Zhong Ninghua, born in 1982, a Chinese citizen without permanent residency abroad, graduated from Fudan University and Peking University with a bachelor's degree and a master's degree in economics in July 2005 and July 2008, respectively, and graduated from the Hong Kong University of Science and Technology in March 2013 with a doctor's degree in finance. From March 2013 to December 2015, he successively served as an assistant professor and associate professor of the College of Economics and Management of Tongji University. Since December 2015, he has been a professor and doctoral supervisor of the College of Economics and Management of Tongji University. Since October 2017, he has been the dean of the Department of Economics and Finance of the College of Economics and Management of Tongji University. Since January 2018, he has been the head of the first-level discipline of Applied Economics of the College of Economics and Management of Tongji University. From December 2021 to December 2025, he has been the deputy dean of the College of Economics and Management of Tongji University. Since January 2025, he has been a second-class professor of the School of Economics and Management of Tongji University. He has served as deputy director of the Foreign Affairs Office and concurrently as director of the Hong Kong, Macao and Taiwan Affairs Office of Tongji University since September 2025. Mr. Zhong served as the short-term consultant of the World Bank and the chief expert of the international projects of the Asian Development Bank. He currently also serves as the second special supervisor of the Shanghai Municipal Supervisory Commission, the political consultant of the Chinese People's Political Consultative Conference of Shanghai, the deputy secretary general of the Shanghai Economic Association and the vice chairman of the Shanghai Financial Technology Industry Alliance. He has been an independent non-executive Director of the Company since June 2023.
Lam Siu Fung	Mr. Lam Siu Fung, born in 1974, a Chinese citizen with permanent residence in Hong Kong, graduated from The Chinese University of Hong Kong with a bachelor's degree in accounting in 1997 and is a Certified Public Accountant in Hong Kong. From September 1997 to February 2007, he successively served as an audit manager and a senior manager of Ernst & Young. From February 2007 to April 2009, he served as a director of the audit department of Horwath Hong Kong CPA Limited. Since May 2009, he has been a director of the audit department and a director of family office services of BDO Limited. Mr. Lam is currently a council member of the Hong Kong Institute of Certified Public Accountants, a member of the Registration Approval Committee and a member of the Small and Medium Practitioners Committee. Mr. Lam has over 25 years of experience in accounting and has extensive experience in auditing, accounting and taxation in Hong Kong and the Mainland. He has served listed companies and IPO clients in various industries, including manufacturing, retail, real estate development, real estate agency, biotechnology, natural resources industry, entertainment and media, infrastructure and information technology. He has been an independent non-executive Director of the Company since June 2023.

Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Feng Xiaoyun	Ms. Feng Xiaoyun, born in 1962, a Chinese citizen without permanent residency abroad, graduated from Southwest Jiaotong University in 1983 with a bachelor's degree majoring in electric locomotive, and in 1988 and 2001 with a master's degree and doctorate degree, respectively, majoring in power electronics and power transmission. Ms. Feng successively served as a lecturer, assistant to the dean and deputy dean of the School of Electrical Engineering of Southwest Jiaotong University from July 1983 to February 2009, head of the laboratory and equipment management office of Southwest Jiaotong University from February 2009 to January 2020, assistant to president and executive vice president of the graduate school of Southwest Jiaotong University from January 2010 to July 2012, member of the standing committee of Party Committee and vice president of Southwest Jiaotong University from July 2012 to December 2021, and second-tier professor of the School of Electrical Engineering of Southwest Jiaotong University since December 2021. She has been an independent non-executive director of the Company since June 2024.
Chen Zhiman	Ms. Chen Zhiman, born in April 1973, is a Chinese national with no right of abode overseas. She graduated in June 1995 from Zhejiang University with a bachelor's degree in electrical automation. She is a senior engineer. In July 1995, Ms. Chen joined CRRC ZELRI as an engineer. From September 2005 to October 2021, she served as an engineer and the head of the Technical Expert Group in the Engineering Technology Department of the Manufacturing Center of the Company and since October 2021, she has served as a senior engineer for the Foundation Research & Development Processes in the Engineering Technology Department of the Manufacturing Center. Ms. Chen Zhiman received the IPC President's Award in 2022 and the IPC Fellowship Medal in 2024 from the Global Electronics Association ("IPC"), and she currently serves as a global standing member of TAEC (Technical Activities Executive Committee) of IPC. She has been an employee Director of the Company since December 2025.
Tan Yongneng	Mr. Tan Yongneng, born in 1970, a Chinese citizen without permanent residency abroad. Mr. Tan graduated from Xiangtan University majoring in Electrical Technology in 1995. He attended the on-the-job postgraduate programme in Psychology and Human Resources of Peking University in 2000, and obtained a certificate of graduation by completing the full postgraduate programme in July 2002. He attended the on-the-job MBA programme of Business School of Central South University in 2003 and obtained a certificate of graduation by completing the full postgraduate programme in July 2005. He joined CRRC ZELRI in July 1990, and has held various positions such as director of general manager's office of Times Electronics, director of department of Party and mass affairs and director of Party office of CRRC ZELRI. He was director of department of Party and mass affairs and director of department of auditing of the Company from December 2004 to December 2005, director of department of Party and mass affairs and director of Party office of CRRC ZELRI from December 2005 to December 2007, and director of administration office and director of secretary office of decision-making committee of CRRC ZELRI from January 2008 to January 2010. Mr. Tan was the chief administration officer and the chairman of the labour union of the Company from January 2010 to January 2018, and has been the secretary of Party discipline inspection commission, the chief administration officer and the chairman of the labour union of the Company since January 2018.



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Gong Tong	Mr. Gong Tong, born in 1974, a Chinese citizen without permanent residency abroad. Mr. Gong graduated from Southwest Jiaotong University with a bachelor's degree in Electric Traction and Transmission Control in July 1996. He is a senior engineer. Mr. Gong joined CRRC ZELRI in August 1996 and has worked for the technical service department, after-sales service department and quality service department of the electrical equipment factory of CRRC ZELR, Zhuzhou Times Fittings Technical Service Co., Ltd. and the technical service department. He has taken various positions as a marketing centre service director, director of the quality and safety department, general manager of after-sales service department and director of planning and development department of the Company from January 2005 to July 2011, a general manager of Guangzhou CRRC Times from July 2011 to April 2013, a deputy general manager of the business division for urban railway equipment of the Company from May 2013 to February 2016, a deputy chief economist, director of planning and development department, general manager of the business division for new industry of the Company from February 2016 to July 2017, and a deputy chief economist and general manager of the business division for urban railway equipment of the Company from July 2017 to March 2020. Mr. Gong has been a deputy general manager of the Company since March 2020.
Yu Kang	Mr. Yu Kang, born in 1978, a Chinese citizen without permanent residency abroad. Mr. Yu graduated from Nanchang Hangkong University with a bachelor's degree in Mechanical and Electrical Engineering in July 2000. He is a senior engineer. Mr. Yu joined CRRC ZELRI in August 2000 and has worked for the equipment department and engineering technology department of the manufacturing centre of CRRC ZELRI. He has taken various positions such as a director of the electronic equipment factory of the manufacturing centre and a director of the general management department of the Company from June 2005 to January 2011, a director of the general manager's office of the Company from January 2011 to February 2016, a director of the general manager's office and a general manager of the business division for automobile of the Company from February 2016 to March 2017, a general manager of the business division for automobile of the Company from March 2017 to February 2018, and a deputy chief economist and general manager of the business division for automobile of the Company from February 2018 to March 2020. Mr. Yu has been a deputy general manager of the Company since March 2020.
Hu Yunqing	Mr. Hu Yunqing, born in 1984, a Chinese citizen without permanent residency abroad, graduated from the Department of Physics and Information of Hunan Normal University with a bachelor's degree in electronical information science and technology in June 2006. He graduated from the Department of Control Science and Engineering of Zhejiang University with a doctoral degree in control science and engineering in March 2013. He is a Professor-level senior engineer. From April 2013 to April 2014, he worked at CRRC Zhuzhou Institute Co., Ltd., and from April 2014 to May 2017, he worked at the rail transit technology centre of the Company. From June 2017 to February 2021, he successively served as the director, deputy officer and officer of the intelligent control technology department of the basic platform research and development centre of the research institute of CRRC Zhuzhou Institute Co., Ltd. From February 2021 to April 2023, he served as the director of the converter and control technology centre of the Company. He has been serving as the deputy general manager and chief engineer of the Company since April 2023.

Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Yao Zhonghong	Mr. Yao Zhonghong, born in 1978, a Chinese citizen without permanent residency abroad, graduated from the Department of Electrical Engineering of Hunan University in July 1998 with a bachelor's degree majoring in electrical engineering. He graduated from the department of Electrical Engineering of Hunan University in July 2001 with a master's degree majoring in electric circuit and system. He is a professor-level senior engineer. From July 2001 to August 2004, he served as a designer of the automation development department of the engineering centre of CRRC Zhuzhou Institute Co., Ltd.. From August 2004 to January 2014, he successively served as the chief designer, senior director designer and project manager of the Company's technology centre. From January 2014 to March 2017, he successively served as the assistant to the general manager and deputy general manager of the Company's railway business department. From March 2017 to March 2018, he served as the deputy director of the Company's product management centre and the manager of the EMU electrical system product line. From March 2018 to December 2020, he served as the director of the Company's operation management department. From December 2020 to April 2023, he served as the director of the Company's centralised procurement centre. He has been serving as the deputy general manager of the Company since April 2023.
Gan Weiwei	Mr. Gan Weiwei, born in 1984, a Chinese citizen without permanent residency abroad, graduated from Xi'an Jiaotong University with a bachelor's degree in electrical engineering and automation in June 2007. He graduated from Xi'an Jiaotong University with a master's degree in electrical engineering in July 2010. He is a professor-level senior engineer. He worked in the comprehensive management department of the Company's technology centre in July 2010. From January 2012 to September 2017, he successively served as an engineer and head of inverter control team of the basic platform research and development centre of the research institute of CRRC Zhuzhou Institute Co., Ltd.. From September 2017 to March 2021, he successively served as the head and deputy director of the transmission control department of the rail transit technology centre of the Company. From March 2021 to March 2022, he served as the secretary to the Party General Branch and deputy director of the rail transit technology centre of the Company. From March 2022 to April 2023, he served as the secretary of the General Party Branch and deputy general manager of the railway business department of the Company. He was the director of the rail transit technology centre of the Company from April 2023 to April 2024, deputy general manager of the Company since March 2024, general manager of green energy branch since August 2024 and ceased to serve concurrently as the general manager of green energy branch starting from October 2025, and continued to serve as deputy general manager of the Company.
Sun Shan	Ms. Sun Shan, born in 1978, a Chinese citizen without permanent residency abroad, graduated from Hunan University with a major in accounting in December 2001 and obtained a master's degree in business administration from Central South University in May 2018. She is a senior accountant. From January 2002 to December 2007, she successively served as the general ledger accountant and assistant to the director of the safety equipment business department of the Company. From January 2008 to June 2013, she successively served as the head of the cost management team, the head of the budget management team and the director of the budget and final account of the financial assets department of the Company. From June 2013 to March 2019, she successively served as the director of the financial assets department of the power electronic business department and the semiconductor business department of the Company. From March 2019 to March 2020, she served as the financial director of CRRC Times Semiconductor. She has served as the officer of the financial centre of the Company from March 2020 to March 2024, and has been the deputy general manager and financial director of the Company since March 2024.



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Chai Duo	Mr. Chai Duo, born in 1984, a Chinese citizen without permanent residency abroad, graduated from Northwestern Polytechnical University in 2007 with a bachelor's degree majoring in electrical engineering and automation, and from Central South University in 2018 with a master's degree majoring in business administration. He is a political engineer. Mr. Chai served as an engineer of the technology centre, discipline inspection supervisor of the party-mass working department and secretary to the league party committee of the Company from August 2007 to October 2012, secretary to the league party committee of CRRC ZELRI from November 2012 to December 2015, head of the organisation department of the party committee and secretary to the league party committee of CRRC ZELRI from December 2015 to May 2019, director of the party committee office and head of the organisation department of the party committee of CRRC ZELRI from May 2019 to March 2020, deputy director of the manufacturing centre of the Company from April 2020 to November 2020, director of the manufacturing centre of the Company from November 2020 to October 2024, and deputy general manager of the Company since October 2024.
He Zhengjun	Mr. He Zhengjun, born in 1986, a Chinese citizen without permanent residency abroad, graduated from Dalian Jiaotong University in 2007 with a bachelor's degree majoring in mechanical engineering and automation, and from Zhejiang University in 2015 with a master's degree majoring in engineering of the electrical engineering field. He is a professorate senior engineer. Mr. He served as the leader of the reactive power compensation system smelting group and secretary of youth league committee of Zhuzhou National Engineering Research Centre of Converters Co., Ltd. from August 2007 to May 2011, project declaration director and assistant director of the technology management department of the Company from June 2011 to March 2016, deputy director of the technology management department and director of the process and quality department of CRRC ZELRI from March 2016 to December 2018, director of the in-depth reform office under the strategy development department of CRRC ZELRI from December 2018 to November 2020, director of the strategy development department of CRRC ZELRI and general manager of the Hong Kong branch of CRRC ZELRI from November 2020 to October 2024, and deputy general manager of the Company since October 2024.
Long Furong	Ms. Long Furong, born in 1980, a Chinese citizen without permanent residency abroad, graduated from Hunan University with a bachelor's degree in accounting in June 2002 and graduated from Guilin University of Technology with a master's degree in business administration in June 2019. She is a senior Accountant. From August 2002 to May 2013, she successively served as the accountant, accounting officer and accounting director of the financial assets department of CRRC Zhuzhou Institute Co., Ltd.. From May 2013 to May 2016, she served as the financial director of Zhuzhou National Engineering Research Centre of Converters Co., Ltd.. From May 2016 to February 2018, she served as the director of the audit and risk control department of the Company. Since February 2018, she has served as the director of the securities and legal department of the Company. She has served as the secretary to the Board, general counsel and chief compliance officer of the Company since April 2023.

Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Wang Yeliu	Mr. Wang Yeliu, born in 1982, a Chinese citizen without permanent residency abroad. He graduated from East China Jiaotong University with a bachelor's degree in communication engineering in 2004; and from Central South University with a master's degree in business administration in 2018. Mr. Wang Yeliu is a professor-level senior engineer. From August 2004 to February 2010, he served as an engineer of the technical centre of the communication and signal division of the Company. From March 2010 to February 2011, he served as the head of the control department I of the technical centre of the communication and signal division of the Company. From March 2011 to February 2012, he served as the deputy director of the technical centre of the communication and signal division of the Company. From March 2012 to March 2016, he served as the director of the technical centre of the communication and signal division of the Company. From March 2016 to February 2017, he served as deputy chief engineer of the communication and signal division of the Company. From March 2017 to April 2020, he served as deputy chief engineer of Hunan CRRC Signal. He has served as the deputy general manager of Hunan CRRC Signal since May 2020.
Zhang Dongfang	Mr. Zhang Dongfang, born in 1980, a Chinese citizen without permanent residency abroad. He graduated from East China Jiaotong University with a bachelor's degree in electrical engineering and automation in 2003. Mr. Zhang Dongfang is a professor-level senior engineer. From August 2003 to September 2005, he served as an engineer in the R&D centre of CRRC ZELRI. From September 2005 to April 2016, he served as assistant engineer, engineer and senior engineer of the Company. From April 2016 to May 2018, he served as the head of the diesel locomotive product department of the Company's rail transit technology centre. From May 2018 to September 2018, he served as assistant director of the Company's rail transit technology centre. From September 2018 to April 2020, he served as the director of technology centre of CRRC Times Electronics. He has served as the deputy general manager of CRRC Times Electronics since April 2020.
Zhang Dinghua	Mr. Zhang Dinghua, born in 1979, a Chinese citizen without permanent residency abroad. He graduated from Hunan University of Science and Technology with a bachelor's degree in automation in 2003; from Central South University with a master's degree in control theory and control engineering in 2006; and from Central South University with a doctorate degree in control science and engineering in 2011. Mr. Zhang Dinghua is a professor-level senior engineer. From June 2006 to June 2011, he served as the control engineer of CRRC National Centre of Converters. From June 2011 to July 2015, he served as the project manager of the foundation and platform R&D centre of CRRC ZELRI. From July 2015 to February 2018, he served as deputy chief engineer of ROV Division of UK CRRC SMD. From February 2018 to July 2019, he served as the deputy director of the Company's industrial transmission technology centre. He served as the deputy general manager of Shanghai CRRC SMD from July 2019 to July 2025, and general manager of Shanghai CRRC SMD since July 2025.



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Dou Zechun	Mr. Dou Zechun, born in March 1985, a Chinese citizen without permanent residency abroad, graduated from the School of Electrical Engineering of Hohai University in June 2007 with a bachelor's degree majoring in automation, and from the Business School of Central South University in May 2023 with a master's degree majoring in business administration. He is a senior engineer. Mr. Dou work in the transmission technology department of the technology centre of the Company from August 2007 to September 2009, the industrial transmission department of the technology centre of the Company from October 2009 to June 2011, and Dynex semiconductor research and development centre in the UK from June 2011 to February 2013. He served as a module design engineer and product supervisor of the semiconductor business unit of the Company from March 2013 to March 2018, deputy head of the IGBT module technology department of the semiconductor business unit of the Company from April 2018 to April 2019, deputy director of the industrial transmission technology centre of the Company from May 2019 to February 2021, deputy director of the converter and control technology centre of the Company from March 2021 to April 2024, and director of the rail transit technology centre of the Company since April 2024.
Qi Yu	Mr. Qi Yu, born in August 1987, a Chinese citizen without permanent residency abroad, graduated from College of Electrical and Information Engineering, Hunan University in June 2009 with a bachelor's degree majoring in electrical engineering and automation, and from the School of Electrical and Electronic Engineering of Huazhong University of Science and Technology in December 2014 with a doctorate degree majoring in electrical engineering (power electronics). He is a senior engineer. Mr. Qi served as a module electrical engineer of the converter module platform department of the foundations and platform research and development centre of CRRC ZELRI Institute from December 2014 to July 2017, power electronic transformer system engineer of the energy Internet technology centre of the foundations and platform research and development centre of CRRC ZELRI Institute from July 2017 to September 2019, head of the rail transit converter technology department of the UK research and development centre (dispatching) of the Company from September 2019 to January 2022, deputy head of the converter basic technology department of the rail transit technology centre of the Company from December 2019 to January 2022, head of the converter basic technology department of the rail transit technology centre of the Company from January 2022 to April 2024, and director of the UK research and development centre of the Company from April 2024 to January 2026. He has served as director of the Technology Management Department of the Company since January 2026.
Wu Qingli	Mr. Wu Qingli, born in September 1982, a Chinese citizen without permanent residency abroad, graduated from Henan University of Science and Technology in June 2005 with a bachelor's degree majoring in electromechanical integration engineering, and from Lanzhou Jiaotong University in July 2008 with a master's degree majoring in mechanical and electronic engineering. He is a senior engineer. Mr. Wu successively served as a technology development staff, head of the technology development department, deputy director of the technology development department and executive deputy director of the technology centre of Zhuzhou Times Electronic Technology Co., Ltd. (株洲時代電子技術有限公司) from August 2008 to May 2019, director of the technology centre of Baoji CRRC Times from May 2019 to May 2020, deputy chief engineer and director of the technology centre of Baoji CRRC Times and assistant to general manager of Taiyuan CRRC Times from May 2020 to March 2021, deputy general manager of Taiyuan CRRC Times from March 2021 to January 2025, and deputy general manager and chief engineer of Baoji CRRC Times since February 2025.

Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Zheng Huaxiong	Mr. Zheng Huaxiong, born in September 1983, a Chinese citizen without permanent residency abroad, graduated from Sichuan University in June 2010 with a master's degree majoring in materials. He is a senior engineer. Mr. Zheng served as a trainee in the integrated management department of Ningbo CRRC Times from July 2010 to January 2011, an engineer of the technology centre and head of the research and development department of electric quantity sensor of Ningbo CRRC Times from February 2011 to February 2015, deputy director of the technology centre of Ningbo CRRC Times from March 2015 to January 2022, director of the technology centre of Ningbo CRRC Times from February 2022 to August 2023, and deputy general manager of Ningbo CRRC Times since September 2023.
Cheng Zhenglin	Mr. Cheng Zhenglin, born in October 1983, a Chinese citizen without permanent residency abroad, graduated from the School of Electricity of Hunan University in June 2008 with a bachelor's degree in engineering majoring in electronic and information engineering, and obtained his master's degree in engineering from the School of Electricity of Zhejiang University majoring in electrical engineering through on-the-job study. He is a senior engineer. He successively served as an engineer of the rail transit technology centre, leader of the system group of the transmission control department and leader of locomotive application of the Company from July 2008 to August 2016, head of the industrial control department of the industrial transmission technology centre of the Company from September 2016 to July 2020, assistant to general manager of Zhuzhou CRRC Times Software Technology Co., Ltd. from August 2020 to October 2024, and deputy general manager of Chongqing CRRC Times Electric Technology Co., Ltd. since November 2024.
Li Cheng	Mr. Li Cheng, born in June 1987, a Chinese citizen without permanent residency abroad, graduated from Shanghai University in July 2009 with a bachelor's degree majoring in mathematics and applied mathematics, and from Zhejiang University in June 2011 with a master's degree majoring in mathematics. He is a professor-level senior engineer. Mr. Li successively served as a software development engineer, software design supervisor and platform software development group leader, and head of the electric drive control technology and platform department of the foundations and platform research and development centre of CRRC ZELRI Institute from July 2011 to March 2021, deputy director of the converter and control technology centre of the Company from March 2021 to December 2024, and director of the data and intelligent technology centre of the Company from December 2024 to June 2025. He has served as general manager of the intelligent industrial control business unit of the Company since June 2025.

Other explanations

☐ Applicable ☒ Not Applicable



Directors, Supervisors, Senior Management and Employees

II. POSITIONS HELD BY CURRENT AND RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

(I) Positions Held in Shareholder Entities

✓ Applicable ☐ Not Applicable

Name	Name of Shareholder entity	Position(s) held in the Shareholder entity	Commencement date of term of office	Termination date of term of office
Li Donglin	CRRC ZELRI	Secretary to the Party committee and chairman of the board	May 2018	–
Shang Jing	CRRC ZELRI	Deputy secretary to the Party committee, director, general manager	May 2024	–
Li Lue (Note 1)	CRRC ZELRI	Deputy general manager, financial controller	May 2019	–
Shang Jing	Zhuzhou Guochuang Railway Technology Co., Ltd.	Vice chairman of the board	June 2020	February 2025
Xu Shaolong	Zhuzhou Guochuang Railway Technology Co., Ltd.	Director	February 2025	–
Tan Yongneng	Shanghai CRRC Han'ge Shipping and Marine Engineering Co., Ltd.	Chairman of the board	July 2021	–
Hu Yunqing	China Railway Inspection and Certification Zhuzhou Traction Electrical Equipment Inspection Station Co., Ltd.	Director	June 2023	
Yu Kang	Xicheng CRRC (Wuxi) Urban Transit Transport Engineering Co., Ltd.	Director	May 2024	–
Explanation on positions held in Shareholder entities	None			

Note 1: The Company has abolished the Supervisory Committee and will no longer appoint Supervisors commencing from 27 June 2025. Mr. Li Lue ceased to be a Supervisor.

Directors, Supervisors, Senior Management and Employees

(II) Positions Held in Other Entities

✓ Applicable ☐ Not Applicable

Name	Name of other entities	Position(s) held in other entities	Commencement date of term of office	Termination date of term of office
Li Donglin	Hunan Rail Transit Equipment Industry Association	Rotating president	June 2022	–
Shang Jing	Management Committee of the National Key Laboratories of New Power Semiconductor Devices	Deputy director	February 2016	–
Shang Jing	Hunan Rail Transit Equipment Industry Association	Member, chairman of the supervisory committee	July 2020	–
Shang Jing	Zhuzhou CPPCC Population, Resources and Environment Committee	Deputy director (part-time)	May 2023	–
Li Kaiguo	China Certification & Inspection (Group) Co., Ltd.	Chief Advisor to the Science and Technology Innovation Committee	February 2025	–
Li Kaiguo	National Gas Vehicle Engineering and Research Centre	Head	April 2003	–
Li Kaiguo	China Society of Automotive Engineers	Vice president	2016	–
Li Kaiguo	China Automotive Talents Society	Vice president	2016	–
Li Kaiguo	Gas Fuel Automobile Branch of the China Association of Automobile Manufacturers	President	2017	–
Li Kaiguo	China Association of Automobile Manufactures	Vice president	2020	–
Li Kaiguo	National Technical Committee of Auto Standardisation	Committee member	2020	–
Li Kaiguo	Gas Vehicle Standards Committee	Chairman	2020	–
Li Kaiguo	Qingling Motors (Group) Co., Ltd.	Independent director	June 2022	–
Li Kaiguo	SERES Co., Ltd. (stock code: 601127.SH, 09927.hk)	Independent director	November 2022	–



Directors, Supervisors, Senior Management and Employees

Name	Name of other entities	Position(s) held in other entities	Commencement date of term of office	Termination date of term of office
Li Kaiguo	Bethel Automotive Safety Systems Co., Ltd. (stock code: 603596.SH)	Independent director	September 2024	–
Zhong Ninghua	Department of Economics and Finance in School of Economics and Management of Tongji University	Head	October 2017	–
Zhong Ninghua	School of Economics and Management of Tongji University	Deputy dean	December 2021	December 2025
Zhong Ninghua	Foreign Affairs Office of Tongji University	Deputy director	September 2025	–
Zhong Ninghua	Hong Kong, Macao and Taiwan Affairs Office of Tongji University	Director	September 2025	–
Lam Siu Fung	Messrs. BDO Limited	Director of Audit Department and Director of Family Office Services	May 2009	–
Feng Xiaoyun	School of Electrical Engineering of Southwest Jiaotong University	Second-level professor	December 2021	–
Gong Tong	Foshan Zhongshi Zhihui Communications Technology Co., Ltd.	Vice chairman of the board	June 2021	January 2025
Yu Kang	Foshan Zhongshi Zhihui Communications Technology Co., Ltd.	Chairman of the board	January 2025	
Yu Kang	Wuxi Times Intelligent Transportation Research Institute Co., Ltd.	Chairman of the board	June 2024	–
Sun Shan	Zhixin Semiconductor Co., Ltd.	Supervisor	September 2022	August 2024
Sun Shan	Foshan Zhongshi Zhihui Communications Technology Co., Ltd.	Supervisor	June 2021	January 2025
Chai Duo	Zhuzhou Shiling Transportation Equipment Co., Ltd.	Chairman of the board	October 2024	–
Long Furong	Zhuzhou Shiling Transportation Equipment Co., Ltd.	Supervisor	December 2018	–
Explanation on positions held in other entities	None			

Directors, Supervisors, Senior Management and Employees

(III) Positions Held in Controlling Subsidiaries

Name	Name of controlling subsidiaries	Positions held in controlling subsidiaries
Xu Shaolong	Zhuzhou CRRC Times Semiconductor Co., Ltd.	Chairman of the board
	Hunan CRRC Times Electric Drive Technology Co., Ltd.	Chairman of the board
Tan Yongneng	Qingdao CRRC Electric Equipment Co., Ltd.	Director
Gong Tong	Hunan CRRC Times Signal & Communication Co., Ltd.	Executive director
Yu Kang	Guangzhou CRRC Times Electric Technology Co., Ltd.	Chairman of the board
	Hangzhou CRRC Times Electric Equipment Co., Ltd.	Director
Chai Duo	Lanzhou CRRC Times Rail Transit Technology Co., Ltd.	Director
	Qingdao CRRC Electric Equipment Co., Ltd.	Chairman of the board
	Chongqing CRRC Times Electric Technology Co., Ltd.	Chairman of the board
	Shanghai CRRC Rail Transit Technology Co., Ltd.	Director
He Zhengjun	Specialist Machine Developments (Shanghai) Co., Ltd.	Executive director
	Specialist Machine Developments (SMD) Limited	Director
	Ningbo CRRC Times Electric Equipment Co., Ltd.	Chairman of the board
Sun Shan	Baoji CRRC Times Engineering Machinery Co., Ltd.	Director
	Zhuzhou CRRC Times Semiconductor Co., Ltd.	Director
Hu Yunqing	Zhuzhou CRRC Times Semiconductor Co., Ltd.	Director



Directors, Supervisors, Senior Management and Employees

III. REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICAL PERSONNEL

✓ Applicable ☐ Not Applicable

Unit: 0'000 Currency: RMB

The decision-making procedure for the remunerations of Directors and senior management	The Remuneration Committee of the Board of Directors formulates and reviews the remuneration policies and plans of Directors and senior management personnel of the Company, and develops the assessment standards of Directors and senior management personnel of the Company and conducts the assessment
Whether the Director should refrain from participating when the Board discusses his/her remuneration matters	Yes
Specific situation in which the Remuneration Committee or special meetings of independent directors made recommendations on the remuneration of Directors and senior management	Approve the relevant resolutions on the remuneration proposals for senior management, refrain from voting on the remuneration proposals for Directors and submit to the general meeting for consideration
The basis for determining remunerations of Directors and senior management	Determine the remunerations of Directors and senior management personnel of the Company according to the Articles of Association and relevant regulations.
Actual payment of remunerations of Directors and senior management	Mr. Li Donglin and Mr. Shang Jing do not receive remuneration from the Company, and other Directors and senior management are paid by the Company according to relevant regulations.
Total actual remunerations received by all Directors and senior management at the end of the reporting period	1,561.79
Total actual compensations received by core technical personnel at the end of the reporting period	654.58

Directors, Supervisors, Senior Management and Employees

Basis for assessment and completion status of the actual remuneration received by all Directors and senior management at the end of the reporting period	The total remuneration is determined based on the completion of the annual performance
Deferred payment arrangements for actual remuneration received by all Directors and senior management at the end of the reporting period	No deferred payment arrangement is applicable to Directors. The term incentives for senior management shall be further assessed and determined upon the completion of the 2024-2026 term performance appraisal
Stop-payment and recourse status of actual remuneration received by all Directors and senior management at the end of the reporting period	None

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

☒ Applicable ☐ Not Applicable

Name	Position(s) held	Changes	Reason for changes
Zhu Hongjun	Core technician	Resignation	Job redeployment
Lv Yang	Core technician	Resignation	Job redeployment
Liu Liangjie	Core technician	Resignation	Job redeployment
Zhang Min	Core technician	Resignation	Job redeployment
Wu Qingli	Core technician	Appointment	Job redeployment
Zheng Huaxiong	Core technician	Appointment	Job redeployment
Cheng Zhenglin	Core technician	Appointment	Job redeployment
Li Cheng	Core technician	Appointment	Job redeployment
Chen Zhiman	Employee director	Election	Job redeployment
Niu Jie	Deputy general manager	Resignation	Job redeployment



Directors, Supervisors, Senior Management and Employees

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.

On 9 December 2025, Ms. Chen Zhiman was elected as the employee director of the seventh session of the Board of Directors upon the adoption of the joint meeting of the representatives (group leaders) of the Company's employees. On 15 December 2025, Ms. Chen Zhiman has been appointed as a member of each of the Strategy and ESG Committee and Science and Technology Innovation Committee of the Board.

On 1 January 2026, Mr. Niu Jie resigned from the post of deputy general manager due to work adjustment.

V. EXPLANATION ON PENALTIES IMPOSED BY SECURITIES REGULATORY AUTHORITIES IN THE RECENT THREE YEARS

☐ Applicable ☒ Not Applicable

Directors, Supervisors, Senior Management and Employees

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

(I) Employees

Number of in-service employees of the parent company	4,757
Number of in-service employees of major subsidiaries	5,989
Total number of in-service employees	10,746
Number of resigned and retired employees with expenses borne by the parent company and major subsidiaries	0

Profession composition

Category	Number
Production personnel	1,643
Sales personnel	645
Technical personnel	6,858
Including: R&D personnel	4,560
Financial personnel	160
Other personnel	1,440
Total	10,746

Educational background

Category	Number (individual)
Master degree and above	3,283
Bachelor degree	6,023
College and junior college	800
High school and below	640
Total	10,746



Directors, Supervisors, Senior Management and Employees

(II) Remuneration Policy

✓ Applicable ☐ Not Applicable

The Company made constant efforts to improve the remuneration management system. It focused on the “Talent Empower” strategy, and forged the talent motivation mechanism from aspects including strengthening positive incentive, refining the talent incentive mechanism, reinforcing overall remuneration management, earnestly promoting mid-to-long-term incentive, optimising internal allocation management, and improving staff benefits. Meanwhile, the Company stepped up performance management to effectively achieve the incentive effect.

Adhering to the guiding principle of “value creation – value appraisal – value allocation”, the Company devised, optimised and effectively linked value appraisal to value allocation, in a bid to stimulate value creation. The Company adopted the following key measures: implementing the value-based remuneration mechanism for obtaining increment of total wages of industrial units, minimising internal friction on business objective balancing, and aligning with the external incremental output; implementing the tenure incentive model for professional managers featured with “two systems and one contract” for professional managers, and connecting with the tenure system evaluation of professional managers; implement a pilot annual salary optimization plan for the management teams of industrial units, with the orientation linked to performance, floating up and down around the baseline; optimize and implement a performance-driven salary mechanism for employees, and highlighting the leading role of “position” and “performance” in employee salary distribution; linking responsibilities to salaries, and conducting earnest analysis into remuneration incentive, including external competition and internal fairness, and identifying potential improvements in value allocation; carrying out the core employee stock ownership plan by means of new capital contribution and equity disposal in emerging equipment (such as CRRC Times Semiconductor and Hunan CRRC Times Electric Drive Technology Co., Ltd.).

(III) Training Plan

✓ Applicable ☐ Not Applicable

In line with the further implementation of the Company’s 14th Five-Year Human Resources Strategic Plan and annual talent development goals, and taking into account the assessment of the previous year’s training system operation and feedback from business departments, the Human Resources Department, on the basis of carrying out systematic training demand research and analysis, has further focused on the Company’s needs for strategic transformation, business expansion and upgrading of job competencies, and formulated the training plan for the current year. The plan centers on the priorities of organizational development and employees’ career development paths, strengthens the dynamic integration of curriculum content, instructor resources and the professional qualification system, and continuously improves the multi-level and diversified training mechanism featuring “internal cultivation plus external introduction, and online-offline integration”. In optimizing the training management system, emphasis will be placed on promoting platform-based and digital development, strengthening the whole-process supervision of training programs and effect benchmarking, so as to ensure that the implementation of training is closely aligned with business objectives. By strengthening learning guidance and resource allocation, we will further enhance employees’ learning initiative, continuity and effectiveness, and promote the integrated development of individual capabilities and organizational growth.

Directors, Supervisors, Senior Management and Employees



The Company regards its talent pool as its core competitiveness and has always attached great importance to talent development and team building, actively fostering reserve talents, scientific and technological talents, and professional talents. In 2025, in line with the Company's 14th Five-Year Strategic Plan and business development needs, the Company strengthened business empowerment, focusing on upgrading the capabilities of professional personnel and product competitiveness. Targeting new energy product lines, CRRC Times Semiconductor and other industries, the Company provided support for the expansion of overseas business by drawing on the international expansion experience of benchmark enterprises in the industry and promoting internal collaboration, consensus-building and empowerment learning. The Company improved system development, covering research, production, supply, marketing and services to build a full business-chain financial knowledge repository. Taking the project manager group as a pilot, the Company clarified job requirements and established a systematic professional talent development mechanism, laying a solid foundation for the Company's long-term development. Throughout the year, more than 10 key development programs were launched, covering over 2,000 participants including the management team, middle managers and core backbone employees. Targeted empowerment training was conducted for professional talents in key business areas such as R&D, marketing, procurement, manufacturing, service, quality and finance. A series of training programs on AI and data governance were also delivered to comprehensively enhance employees' knowledge and skills, so as to better serve the Company's industrial development.

(IV) Labour Outsourcing

☒ Applicable ☐ Not Applicable

Total number of working hours of outsourced labour

17,535,024 hours

Total remuneration paid to outsourced labour (RMB0'000)

78,762.46

VII. MISCELLANEOUS

☐ Applicable ☒ Not Applicable



Corporate Governance Report

I. RELEVANT EXPLANATIONS ON CORPORATE GOVERNANCE OF THE COMPANY

✓ Applicable ☐ Not Applicable

During the Reporting Period, the Company has continuously strived to improve a scientific, efficient and transparent governance system. It has strictly complied with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for the Governance of Listed Companies and other relevant laws and regulations, as well as the applicable rules of the SSE and the Stock Exchange of Hong Kong Limited, so as to ensure the Company's standardized operation, scientific decision-making and controlled risks. The Directors and senior management have always fulfilled their fiduciary duties diligently and faithfully, and effectively safeguarded the legitimate rights and interests of the Company and all shareholders. By continuously optimizing the governance mechanism, the Company has achieved continuous improvement in its governance level.

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.

The Company has established its corporate governance system in accordance with the Corporate Governance Code (the "Corporate Governance Code" or the "Code") as set out in Appendix C1 to the SEHK Listing Rules and as applicable to the corporate governance report of the current year. In certain respects, the corporate governance practices adopted by the Company are more stringent than the provisions of the Code. Having reviewed the corporate governance documents adopted by the Company, the Board is of the opinion that the Company has complied with the principles, provisions and certain recommended best practices as set out in the Corporate Governance Code during the Reporting Period. The Company will comply with the new disclosure requirements under the amended Code which took effect on 1 July 2025 in its annual reports for the financial years commencing on or after 1 January 2026, in accordance with the guidance of Hong Kong Stock Exchange.

Pursuant to Code Provision F.2.2 (which has been renumbered as Code Provision F.1.3 with effect from 1 July 2025) of the Corporate Governance Code, the chairman of the Board shall invite the chairmen of the audit, remuneration, nomination and any other committees (as applicable) to attend the annual general meeting. If the chairman of any committee is absent, the Chairman shall invite another member of such committee or his or her duly appointed representative to attend. Although Mr. Shang Jing, chairman of the risk control committee of the Board (the "Risk Control Committee"), was unable to attend the Company's annual general meeting held on 27 June 2025 due to other official commitments, sufficient Directors (including other members of the Risk Control Committee) were present to ensure that they could answer relevant questions at the annual general meeting.

The Board and the management of the Company make every effort to comply with the CG Code in order to protect and enhance the interests of the Shareholders. As the Company continues to grow, the Company will monitor and revise its corporate governance policy on an ongoing basis in order to ensure the relevant policy will be in compliance with the requirements of the relevant laws and regulations and the general standards expected from the Shareholders.

Corporate Governance Report

In accordance with the relevant laws and regulations, the Company has set up a structure with general meetings, the Board, committees of the Board and the management to act as check and balance against one another. The division of responsibilities among the general meetings, the Board, committees of the Board and the management are distinct, and each of them is assigned with clearly defined responsibilities. The Board has delegated the execution and daily operations of the Group's business to the management. However, clear directions are given to the management as to the matters that must be approved by the Board before decisions are made on behalf of the Group. The Company will continue to improve its corporate governance mechanism, exercise discipline in the fulfilment of corporate duties, and enhance the disclosure of information.

Reasons for significant difference, if any, between corporate governance of the Company and relevant requirements of laws, administrative regulations and stipulations of the CSRC on corporate governance of listed companies

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

Information on controlling shareholders, actual controllers and other entities under their control engaging in the same or similar business activities of the Company, corresponding impact on the Company due to horizontal competition or a material change in horizontal competition, measures adopted to address the impact, progress and follow-up countermeasures

☐ Applicable ☒ Not Applicable

Horizontal competition due to business activities engaged in by controlling shareholders, actual controllers and other entities under their control which have a material negative impact on the Company

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

IV. CORPORATE GOVERNANCE OF RED-CHIP STRUCTURE

☐ Applicable ☒ Not Applicable



Corporate Governance Report

V. SHAREHOLDERS' RIGHTS

1. Convening extraordinary general meetings

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

Any Shareholder(s) individually or in aggregate holding more than 10% of the Company's shares carrying the right to vote at the meeting proposed to be held may sign one or more written request(s) of identical form and substance requesting the board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The above Shareholders shall ensure that the contents of the proposal comply with the provisions of the laws, regulations and the Articles of Association. The board shall, in accordance with the laws, regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary general meeting or class meeting within 10 days after receiving such request. The aforesaid number of shares shall be calculated at the market close on the date which the Shareholder(s) propose such written request (if it falls on a non-trading date, the trading date immediately prior to the date which the Shareholder(s) propose such written request).

If the Board agrees to convene an extraordinary general meeting or a class meeting, it shall serve the notice of such meeting within five days after the resolution is passed by the Board. Consent of the relevant Shareholder(s) shall be obtained in the event of any changes made to the original proposal in the notice.

If the Board does not agree to convene an extraordinary general meeting or a class meeting or fails to furnish a written reply within 10 days after receiving such proposal, any Shareholder(s) individually or in aggregate holding more than 10% of the Company's Shares carrying the right to vote at the meeting proposed to be held is/are entitled to propose to the audit committee for convening an extraordinary general meeting or a class meeting and such proposal shall be made in writing.

If the audit committee agrees to convene an extraordinary general meeting, it shall serve the notice of such meeting within five days after receiving such proposal. Consent of such Shareholder(s) shall be obtained in the event of any changes made to the original proposal in the notice.

If the audit committee fails to serve any notice of an extraordinary general meeting within the prescribed period after receiving such proposal, the audit committee is deemed not to convene and preside over such meeting, in which case the shareholder(s) individually or in aggregate holding more than 10% of the Company's shares on a one-share-one-vote basis for more than 90 consecutive days may convene and preside over such a meeting on his or their own accordingly.

2. Enquiries to the Board

To ensure effective communication between the Board and the Shareholders, the Company adopted a Shareholders' communication policy (the "Policy") on 29 March 2012. Under the Policy, the Company's information shall be communicated to the Shareholders mainly through general meetings (including annual general meetings), the Company's financial reports (interim reports and annual reports), and its corporate communications posted on the Company's website and the Hong Kong Stock Exchange's HKExnews website.

Shareholders may at any time make a request for the Company's information which is publicly available. For holders of H Shares, any relevant enquiries shall be first directed to the company secretary at the Company's principal place of business in Hong Kong at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or, for holders of the A Shares, any relevant enquiries shall be directed to the registered office address of the Company at Times Road, Shifeng District, Zhuzhou, Hunan Province, 412001, the PRC.

3. Putting proposals to general meetings

When the Company convenes a general meeting, the Board of Directors, the audit committee, or Shareholder(s) individually or in aggregate holding more than 1% of the Shares of the Company shall have the right to propose new proposals in writing.

Shareholder(s) individually or in aggregate holding more than 1% of the shares of the Company may submit their provisional proposals in writing to the convener 10 days before the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within two days after receiving the proposals to notify the content of the provisional proposals, and shall submit such provisional proposals to the general meeting for consideration, except for provisional proposals that violate laws, administrative regulations, or the Articles of Association, or that fall outside the scope of power of the general meeting. The Company shall not increase the shareholding percentage required for shareholders to submit provisional proposals.

Save as the circumstances provided in the preceding paragraphs, after the issue of the notice of the general meeting by the convener, no changes shall be made to the proposals stated in the notice of the general meeting nor shall new proposals be added.

Proposals not stated in the notice of the general meeting or which do not meet the requirements in Article 78 and paragraph 2 of Article 80 of the Articles of Association, shall not be voted or resolved at the general meeting.



Corporate Governance Report

4. Communication with Shareholders and investors/investors relations

The Company places great emphasis on communication with investors and employs a variety of ways to deepen investors' understanding about the Company. The Company has established a department and arranged full-time staff to handle affairs regarding investor relation. When investors come to visit the Company, reception and site visit will be arranged by designated staff. The Company actively participates in various meetings concerning investor relations.

During the reporting period, the Company has disclosed all necessary information to the Shareholders in compliance with the SEHK Listing Rules, SSE STAR Market Listing Rules and the Articles of Association, and has reported to Shareholders and investors through various formal channels, which include (1) publishing quarterly reports, interim reports and annual reports; (2) holding annual general meetings and extraordinary general meetings to provide a platform for Shareholders to express their opinions and to communicate with the Board; (3) holding press conference and investors conferences from time to time; (4) organising the management to conduct roadshows; (5) publishing corporate communications such as announcements and circulars on the websites of the Stock Exchange, SSE and the Company; and (6) responding to the queries from Shareholders and investors in a timely manner.

The Company has reviewed its shareholder communication policy, and considered that such policy has been effectively implemented during the year.

The Company will continue to improve its relationship with investors, establish platforms to facilitate effective communication with investors through diverse means, so as to further enhance the Company's transparency.

VI. PERFORMANCE OF DUTIES OF DIRECTORS

(I) Directors and Board of Directors

1. *Composition of the Board*

As at 31 December 2025, the Board consists of 8 Directors, among whom Mr. Li Donglin is the Chairman of the Board and an executive Director; Mr. Shang Jing is the vice chairman of the Board and an executive Director, Mr. Xu Shaolong is other executive Director, Mr. Li Kaiguo, Mr. Zhong Ninghua, Mr. Lam Siu Fung and Ms. Feng Xiaoyun are independent non-executive Directors, and Ms. Chen Zhiman is the employee Director.

The Company has entered into a service contract with each of the Directors which sets out, among other things, the term of office and remuneration. Each session of the Board has a term of three years. Directors elected as the members of any new session of the Board will have a term of office commencing from the date on which he/she is elected up to the date on which members of the next session of the Board are elected or for a shorter period as may be decided upon at the general meeting. Directors appointed to fill casual vacancy will have a term of office commencing from the date of his/her appointment up to the next general meeting or for a shorter period as may be decided upon at the general meeting. Notice shall be given by either party not less than three months prior to termination of the service contract.

Corporate Governance Report

The Directors of the Company have strictly complied with their undertakings, and have been honest, trust-worthy and diligent in the performance of their duties. The number of Board members and the composition of the Board have complied with the relevant laws and regulatory requirements, as well as the Articles of Association. Other than working relationship, there is no other relationship among the members of the Board (especially the Chairman and the general manager), including any financial, business, family or other material or relevant relationship.

The Directors have distinguished themselves in their respective fields of expertise, and have demonstrated high standards of personal and professional ethics and integrity. All Directors have devoted sufficient time and attention to the Company's affairs. The Board believes that the ratio of executive Directors to non-executive Directors is reasonable and adequate to provide checks and balances that safeguard the interests of the Shareholders and the Company as a whole.

2. Independent non-executive Directors and their independence

The Company currently has 4 independent non-executive Directors, and the majority of the members of the audit committee, the risk control committee, the nomination committee and the remuneration committee of the Board are independent non-executive Directors. The chairmen of the audit committee, nomination committee and remuneration committee of the Board are all independent non-executive Directors.

The independent non-executive Directors of the Company have a wide range of skills and experience. Mr. Lam Siu Fung, an independent non-executive Director, is an accounting professional in accordance with the Hong Kong Listing Rules. The independent non-executive Directors of the Company have submitted their written confirmation of independence pursuant to Rule 3.13 of the Hong Kong Listing Rules and the Company considers each of the independent non-executive Directors to be independent.

3. Chairman of the Board and general manager

The offices of the Chairman and the general manager (equivalent to the role of a chief executive officer) of the Company are held by different persons. Currently, Mr. Li Donglin, being an executive Director, is the Chairman, and Mr. Xu Shaolong, being an executive Director, is the general manager. The division of responsibilities between the Chairman and the general manager of the Company has been clearly established and set out in the Articles. The Chairman is responsible for leadership of the Board and chairing Board meetings, while the general manager is responsible for the Company's day-to-day operations.



Corporate Governance Report

According to the Articles, the Chairman mainly exercises the following powers:

- (1) to preside at the general meetings, and to convene, preside the meetings of the Board;
- (2) to urge, supervise and check the implementations of the Board resolutions;
- (3) to urge, supervise and check the work of special committees;
- (4) to listen to the regular or irregular work reports of the Company's general manager and other senior management personnel, and to provide guidance on the implementation of the resolutions of the board of directors;
- (5) in case of force majeure, major crisis or material impact on production and operation, and in case of an emergency where a Board meeting cannot be held in time, exercise the special rights to deal with the Company's affairs in accordance with the law and in the interest of the Company, and report to the Board of Directors or the general meeting afterwards;
- (6) to nominate the secretary to the Board of Directors of the Company;
- (7) to sign the shares, corporate bonds and other marketable securities of the Company;
- (8) to sign important documents of the Board of Directors and sign important legally binding documents on behalf of the Company;
- (9) to organise the formulation of various rules and regulations for the operation of the Board of Directors and coordinate the work of the Board of Directors;
- (10) to approve the plan for the use of the working funds of the board of directors of the Company;
- (11) to exercise other functions and powers that shall be exercised by the chairman and granted by the board of directors in accordance with the relevant laws, administrative regulations and rules;
- (12) other powers and duties stipulated by laws and regulations, securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association and given by the board.

Corporate Governance Report

The general manager is responsible to the Board of Directors. The general manager and the management team under his leadership mainly exercise the following powers as delegated by the Board:

- (1) to be in charge of the Company's production, operation and management and to organise the implementation of the resolutions of the board and report his/her work to the board;
- (2) to organise the implementation of the Company's annual business plan and investment plan;
- (3) to draw up the Company's proposed annual financial budgets and final budgetary reports;
- (4) to draft plans for the establishment of the Company's internal management structure;
- (5) to draft the Company's basic management system;
- (6) to formulate the basic rules and regulations for the Company;
- (7) to propose the appointment or removal of other senior management personnel;
- (8) to appoint or remove management personnel other than those required to be appointed or removed by the board;
- (9) to determine the wages, benefits, incentives and punishments of the employees, the appointment and removal, promotion and demotion, salary increment and decrement, appointment, employment, removal or resignation of the employees;
- (10) to propose the convening of the extraordinary meeting of the board;
- (11) other powers and duties conferred by the laws, regulations, regulatory documents and the securities regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association or the board.



Corporate Governance Report

4. Non-executive Directors

According to the Articles, non-executive Directors of the Company are elected at general meetings for a term of three years. Upon expiry of terms of office, non-executive Directors are eligible for re-election.

5. Nomination of Directors

In accordance with the Articles, Directors are elected at general meetings. Written notice of intention to nominate a candidate for appointment as director and the candidate's consent to be nominated must be given to the Company after the notice of the general meeting has been issued at least seven days prior to the holding of the general meeting. Nomination policy took effect on 1 January 2019 which was approved by the Board on 26 March 2019 and was posted on the Company's website and the Hong Kong Stock Exchange's HKExnews website.

6. Operation of the Board

The Board of Directors is responsible to the general meetings of the Shareholders in relation to the leadership and supervision of the Company. The Board is responsible for formulating the Group's overall development strategies, reviewing and monitoring the Group's business performance, and preparing and reviewing its financial statements. The Board delegates the day-to-day management, administration and operation of the Group to the management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group. Please refer to the subsection headed "Chairman of the Board and general manager" in this section for the specific powers exercised by the management.

The Board convenes regular and ad hoc meetings in accordance with legal procedures and complies strictly with the relevant laws and regulations and the Articles in the exercise of its authorities with an emphasis on protecting the interests of the Company and the Shareholders as a whole.

All Directors are given no less than 14 days' notice of regular Board meetings and are generally given reasonable prior notice of Board meetings other than regular meetings.

The secretary to the Board records and prepares documents concerning matters that are discussed during the Board meetings. The minutes of every Board meeting are circulated to all Directors for their review. After the Board minutes have been finalized, the minutes will be signed by all Directors who have attended the meeting, the secretary to the Board and the person(s) recording the meeting and will be permanently kept as an important record of the Company at the Company's registered office.

7. Responsibilities of the Board of Directors

The Board of Directors is responsible to the general meeting. According to the Articles, the Board of Directors exercises the following powers:

- (1) to be responsible for convening general meetings and to report on its works to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company's business plans, investment plans and annual financing plans;
- (4) to approve the Company's proposed annual financial budgets and final budgetary reports;
- (5) to draw up the Company's profit distribution plan and plan for making up losses;
- (6) to draw up proposals for increases or reductions of the Company's registered capital and the issue of debentures or other securities and listing plan;
- (7) to draw up plans for the material acquisitions, repurchase of its shares or merger, split, reorganisation and dissolution of the Company and change of company type;
- (8) to decide on appointment or removal of the Company's general manager, secretary to the board and other senior management, and to determine the matters relating to their remuneration, incentives and punishments; to decide on appointment or removal of deputy general manager, financial controller and other senior management personnel of the Company based on the nominations by the general manager, and to determine the matters relating to their remuneration, incentives and punishments;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to decide on the establishment of the special committees of the board and consider and approve the proposals put forward by the special committees of the board;
- (11) to draw up the Company's basic management system;
- (12) to draw up proposals for any modifications to the Articles of Association, the Rules of Procedures for the General Meetings and the Rules of Procedures for the Board of Directors;
- (13) within the scope as authorised by the general meeting, to decide on matters relating to investment, financing and borrowing and to decide on the investment, acquisition and disposal of assets, asset pledge, external guarantee, entrusted wealth management, entrusted loans, related party transactions, external donation and other matters; as well as to organise the general manager to exercise its right under certain circumstances pursuant to this provision;



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- (14) to propose to the general meeting to engage, dismiss or not to reappoint the auditors of the Company;
- (15) to listen to the work report of the Company's general manager and inspect the work of the general manager and other senior management personnel;
- (16) to formulate the Company's equity incentive plan;
- (17) to manage information disclosure of the Company;
- (18) to decide on other major affairs and administrative matters of the Company subject to the compliance with the relevant laws, regulations and the requirements of the Articles of Association, save for matters to be resolved at general meetings as required by relevant laws, regulations, and the Articles of Association;
- (19) other powers and functions conferred by the Articles of Association, the securities regulatory rules of the place(s) where the shares of the Company are listed or the general meetings.

The guarantee-related matters within the scope of authority of the Board shall be approved by more than half of all Directors and more than two-thirds of the Directors present at the Board meeting, and the resolutions of the Board in respect of all other matters may be passed by more than half of all Directors.

Where the above matters within the powers of the board of directors or any transaction or arrangement of the Company are subject to consideration by the general meeting or go beyond the scope as authorised by the general meeting according to the securities regulatory rules of the place(s) where the Company's Shares are listed, such matters shall be submitted to the general meeting for consideration. The Board shall act in strict accordance with the authorisation of the general meeting and the Articles of Association and shall not reach resolutions that go beyond such scope of authorisation.

All Directors have access to the advice and services of the company secretary. The Company provides all Directors with the necessary information and data to enable them to make scientific, timely and prudent decisions. Any Director can make requests to the general manager, or through the general manager, to request the Company's relevant department to provide him/her with any necessary information and explanation to enable him/her to make scientific, timely and prudent decisions. If any Director considers necessary, an independent institution can be engaged to provide independent opinions to assist his/her in decision-making. The Company is responsible for arranging the engagement of independent institution at the Company's costs.

When voting on any connected transaction of the Company, Director(s) with interest in such connected transaction shall abstain from voting. If a resolution cannot be passed due to the concerned Director(s) abstaining from voting, the resolution will be submitted directly to the Shareholders at a general meeting for consideration and approval.

The Company has arranged appropriate liability insurance policies for Directors, supervisors and senior management members, for the purpose of covering their liability arising out of the Group's corporate activities.

Corporate Governance Report

The Board is responsible for the following corporate governance functions:

1. to formulate and review, and make recommendations to the Company's corporate governance policy and practices;
2. to review and monitor the trainings and continuing professional development of the Directors and senior management members;
3. to review and monitor the Company's policies and practices on compliance with laws and regulations;
4. to formulate, review and monitor any code of conduct and compliance manual, where available, applicable to Directors and employees; and
5. to review the Company's compliance with the CG Code and the disclosure in the corporate governance report as set out in the annual report of the Company.

VII. PERFORMANCE OF DUTIES OF DIRECTORS

(I) Attendance of the Board Meetings and General Meetings by the Directors

Name of Director	Independent Director or not	Number of required attendance at Board meetings during the year	Attendance at Board meetings				Attendance at general meetings	
			Number of attendance in person	Number of attendance by means of telecommunications	Number of attendance by proxy	Number of absence	Failure to attend in person for two consecutive times	Number of attendance at the general meetings
Li Donglin	No	7	7	3	0	0	No	4
Shang Jing	No	7	7	5	0	0	No	1
Xu Shaolong	No	7	7	0	0	0	No	4
Li Kaiguo	Yes	7	6	3	1	0	No	4
Zhong Ninghua	Yes	7	7	4	0	0	No	4
Lam Siu Fung	Yes	7	7	4	0	0	No	4
Feng Xiaoyun	Yes	7	7	4	0	0	No	4
Chen Zhiman	No	1	1	0	0	0	No	1

- Notes:
1. Mr. Shang Jing, vice chairman of the Board and an executive Director, was unable to attend the 2024 annual general meeting, the 2025 first A Share class meeting and the 2025 first H Share class meeting of the Company held on 27 June 2025 due to other business commitments.
 2. Mr. Li Kaiguo, an independent non-executive Director, was unable to attend the 20th meeting of the seventh session of the Board held on 22 August 2025 in person due to work reasons, and entrusted Director Zhong Ninghua to vote on his behalf.
 3. Ms. Chen Zhiman was appointed as an employee Director on 9 December 2025.



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The Explanation of Failure to Attend Meetings of the Board in Person for Two Consecutive Times

☐ Applicable ☒ Not Applicable

Number of the Board meetings held for the year	7
Including: number of meetings held onsite	2
Number of meetings held by means of telecommunications	0
Number of meetings held onsite and by means of telecommunications simultaneously	5

(II) Objections Raised by Directors against Relevant Matters of the Company

☐ Applicable ☒ Not Applicable

(III) Others

☐ Applicable ☒ Not Applicable

(IV) Directors' Continuous Training and Development Program

Pursuant to the CG Code, all Directors should participate in continuous professional development program to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains fully informed and relevant.

Chen Zhiman was appointed as a Director during the reporting period. She has obtained the legal opinions as set out in Rule 3.09D of the SEHK Listing Rules on 9 December 2025 and confirmed that she understood the responsibilities required as a Director of the Company.

All Directors of the Company have received regular briefings and updates on the Group's business, operations, risk management and corporate governance matters, and have been provided with material information on new laws and ordinances or changes to important laws and ordinances applicable to the Group. All Directors are required to provide the Company with their respective training records pursuant to the CG Code.

During the reporting period, the Company has provided the Directors with appropriate and continuous training, and professional development courses, the Directors actively attended the relevant training, and some of the independent non-executive Directors attended relevant trainings arranged by other organizers. The Company has received from each of the Directors the confirmation on attending continuous professional trainings. The trainings received by each Director in 2025 are as follows:

Executive Directors

Li Donglin	A, B, C
Shang Jing	A, B, C
Xu Shaolong	A, B, C

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Independent non-executive Directors

Li Kaiguo	A, B, C, D
Zhong Ninghua	A, B, C, D
Lam Siu Fung	A, B, C, D
Feng Xiaoyun	A, B, C, D

Employee Director

Chen Zhiman	A, B, C, E

Note: A, B, C, D and E in the above table represent trainings of the following types respectively:

- A Attending trainings on corporate governance provided by the Company.
- B Attending trainings provided by regulatory authorities and industry associations.
- C Studying and reading updates and amendments to the SEHK Listing Rules and relevant laws and regulations.
- D Attending trainings for independent directors organised by the SSE.
- E Attending the training for newly appointed directors organized by the SSE.

VIII. SPECIAL COMMITTEES UNDER THE BOARD

✓ Applicable ☐ Not Applicable

(1) Members of the special committees under the Board

Committee	Name of members
Strategy and ESG committee	Li Donglin (chairman), Shang Jing, Xu Shaolong, Li Kaiguo, Zhong Ninghua, Feng Xiaoyun and Chen Zhiman
Audit committee	Lam Siu Fung (chairman), Li Kaiguo, Zhong Ninghua and Feng Xiaoyun
Risk control committee	Shang Jing (chairman), Zhong Ninghua and Lam Siu Fung
Remuneration committee	Lam Siu Fung (chairman), Li Kaiguo and Zhong Ninghua
Nomination committee	Li Kaiguo (chairman), Li Donglin and Feng Xiaoyun
Science and Technology Innovation Committee	Xu Shaolong (chairman), Li Donglin, Shang Jing, Li Kaiguo, Feng Xiaoyun and Chen Zhiman



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(2) The strategy and ESG committee held 3 meetings during the reporting period

During the reporting period, the strategy and ESG committee acted in strict accordance with the Implementation Rules and Regulations of the Strategy and ESG Committee of the Board and performed its duties independently and objectively. The strategy and ESG committee is responsible to the Board, and its major responsibilities include conducting studies and making recommendations on the Company's long-term development strategy, major investment decisions, sustainable development plans and ESG efforts.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2025	5 resolutions were considered, including, among other things, Resolution on 2024 Work Report of the Strategy and ESG Committee of the Board of the Company, Resolution on Investment Budget of the Company for 2025, and Resolution on the Company's 2024 Annual Social Responsibility and Environmental, Social and Governance (ESG) Report	The strategy and ESG committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	None
29 April 2025	Resolution on the Joint-Stock Reform of Zhuzhou CRRC Times Semiconductor Co., Ltd., a Holding Subsidiary of the Company	The strategy and ESG committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None
22 August 2025	2 resolutions were considered, including Resolution on the Implementation Status of the Company's 2025 Interim Investment Budget; and Resolution on the Deregistration of Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and the Establishment of the Commercial Vehicle E-Drive Branch of Times Electric	The strategy and ESG committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	None

Corporate Governance Report

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Li Donglin	3/3	100%
Shang Jing	3/3	100%
Xu Shaolong	3/3	100%
Li Kaiguo (Note 1)	3/3	100%
Zhong Ninghua	3/3	100%
Feng Xiaoyun	3/3	100%
Chen Zhiman (Note 2)	N/A	N/A

Note 1: Director Li Kaiguo was unable to attend the 7th meeting of the Strategy and ESG Committee of the seventh session of the Board held by the Company on 22 August 2025 in person due to work reasons, and entrusted Director Zhong Ninghua to vote on his behalf.

Note 2: Appointed as a member of the Strategy and ESG Committee of the Board with effect from 15 December 2025.

(3) The audit committee held 5 meetings during the reporting period

During the reporting period, the audit committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Audit Committee of the Board and performed its duties independently and objectively. The Company abolished the Supervisory Committee on 27 June 2025, and the audit committee exercises the functions and powers of the Supervisory Committee as stipulated in the Company Law. The audit committee is responsible to the Board, and its major responsibilities include auditing the Company's financial information and relevant disclosure, monitoring and evaluating internal and external audits and internal controls.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2025	12 resolutions were considered, including, among other things, Resolution on the Company's 2024 Annual Report and its Abstract, Resolution on the Final Financial Report of the Company for 2024, Resolution on the 2024 Work Report of the Audit Committee of the Board of the Company, Resolution on Report of the Audit Committee of the Board Regarding Supervision of Duty Performance by the Accounting Firm of the Company in 2024, and Resolution on the Appointment of Auditors of the Company for 2025	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	Members of the audit committee communicated separately with the auditors on the Company's 2024 audit report.



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Date of meeting	Subject	Major opinions and suggestions	Other duties performed
29 April 2025	1 resolution was considered, i.e. Resolution on the Company's First Quarterly Report for 2025	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	
22 August 2025	7 resolutions were considered, including, among other things, Resolution on the Company's 2025 Interim Report and its Abstract, Resolution on the 2025 Interim Profit Distribution Plan of the Company and Resolution on the 2025 Interim Internal Audit Work Report of the Company	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	Members of the audit committee communicated with the auditors on the impact of the 2025 interim financial performance on the audit, the scope of audit for the 2025 annual report, the audit plan, independence, the structure of audit team and other relevant matters.
30 October 2025	2 resolutions were considered, including Resolution on the Company's 2025 Third Quarterly Report and Resolution on the Signing of the 2026-2028 Product and Service Mutual Supply Framework Agreement between the Company and CRRC Group Co., Ltd. and the Estimation of the Amount of Routine Related-party Transactions for 2026-2028	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	
15 December 2025	5 resolutions were considered, including, among other things, Resolution on the Company's 2025 Audit Plan and Resolution on the 2025 Third Quarter Special Audit Work Report of the Company	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	Members of the audit committee communicated separately with the auditors on the Company's 2025 audit plan.

Corporate Governance Report

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Lam Siu Fung	5/5	100%
Li Kaiguo (Note 1)	5/5	100%
Zhong Ninghua	5/5	100%
Feng Xiaoyun	5/5	100%

Note 1: Director Li Kaiguo was unable to attend the 11th meeting of the audit committee of the seventh session of the Board held by the Company on 22 August 2025 in person due to work reasons, and entrusted Director Zhong Ninghua to vote on his behalf.



Corporate Governance Report

(4) The risk control committee held 3 meetings during the reporting period

During the reporting period, the risk control committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Risk Control Committee of the Board and performed its duties independently and objectively. The risk control committee is responsible to the Board, and its major responsibilities include overseeing the Company's compliance management and risk management; reviewing the Company's risk identification, assessment and control mechanisms, systems and processes; and assessing the risk profile of the Company's major operational matters.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2025	5 resolutions were considered, including, among other things, Resolution on the Company's 2024 Internal Control Assessment Report and Internal Control Audit Report, Resolution on the Risk Assessment Report of the Company for 2024 and Resolution on the 2024 Annual Compliance Management Work Report of the Company	The risk control committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	None
22 August 2025	1 resolution was considered, i.e. Resolution on Risk Assessment Report of the Company for the First Half of 2025	The risk control committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None
15 December 2025	1 resolution was considered, i.e. Resolution on the Work Summary Report of the Company's 14th Five-Year Plan for the Construction of Law-Based Central Enterprises	The risk control committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Shang Jing	3/3	100%
Zhong Ninghua	3/3	100%
Lam Siu Fung	3/3	100%

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(5) The remuneration committee held 2 meetings during the reporting period

During the reporting period, the remuneration committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Remuneration Committee of the Board and performed its duties independently and objectively. The remuneration committee is responsible to the Board, and its major responsibilities include formulating the assessment criteria and conducting assessment for the Directors and senior management members and formulating and reviewing the remuneration policy and proposal for the Directors and senior management members.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2025	5 resolutions were considered, including, among other things, Resolution on the Work Report of the Remuneration Committee of the Board in 2024, and Resolution on Annual Remunerations of the Directors of the Company in 2024	The remuneration committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted other resolutions except for abstaining from voting on the resolution in relation to the remuneration of Directors in 2024 after earnest discussion.	None
15 December 2025	1 resolution was considered, i.e. Resolution on the 2024 Annual Performance Assessment and Salary Settlement Plan for the Company's Senior Management	The remuneration committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Lam Siu Fung	2/2	100%
Li Kaiguo	2/2	100%
Feng Xiaoyun (Note 1)	1/1	100%
Zhong Ninghua (Note 2)	1/1	100%

Note 1: Ceased to be a member of the remuneration committee with effect from 29 April 2025.

Note 2: Served as a member of the remuneration committee with effect from 29 April 2025.



Corporate Governance Report

(6) The nomination committee held 2 meetings during the reporting period

During the reporting period, the nomination committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Nomination Committee of the Board and performed its duties independently and objectively. The nomination committee is responsible to the Board, and its major responsibilities include formulating the selection criteria and procedures for Directors and senior management members, selecting and reviewing the candidates for Directors and senior management members and their qualifications, and making relevant recommendations to the Board of Directors.

Pursuant to the nomination policy, the nomination committee is responsible for, among other things, identifying suitably qualified candidates to become Board members and senior management members, and selecting and nominating the relevant person for appointment as a Director (and senior management member) or make recommendations to the Board on such matter. When identifying suitable candidates, the nomination committee shall comply with the principle of meritocracy, consider the strengths of the relevant candidate, the contributions they can make to the Board and give due consideration to the benefits of membership diversity in terms of objective conditions. When making recommendations to the Board on the appointment of independent non-executive Directors, the nomination committee shall take into account the process used for identifying that person, the reasons for the person to be independent and to be able to devote sufficient time to perform the duties of a director, the perspectives, skills and experience that the person can bring to the Board, and how the person would contribute to the diversity of Board members.

The Board has adopted a board diversity policy effective on 11 October 2013, which was subsequently amended by the Board on 26 March 2019 to take effect on 1 January 2019, and later amended by the Board at its meeting held on 27 June 2025 and effective on the same date. When determining the composition of the Board, the Company seeks to achieve board diversity through the consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and any other factors that the Board may consider relevant and applicable from time to time. All appointments of the Board will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives as mentioned above. The ultimate decision will be based on merits of the candidates and the contribution that they may bring to the Board, having due appropriate regard to the benefits of diversity to the Board and also the needs of the Board without focusing on a single diversity aspect.

The Board has set measurable objectives (including the aforesaid measurable objectives) to implement the policy and the nomination committee is responsible for reviewing such objectives from time to time to ensure their appropriateness and monitoring the progress made towards achieving those objectives, and reviewing the policy, as appropriate, to ensure its continued effectiveness from time to time.

Corporate Governance Report

For the purpose of implementing the board diversity policy, the Company has adopted the following measurable objectives:

1. At least 1 female member in the Board;
2. At least 1 independent non-executive Director in the Board is ordinarily resident in Hong Kong;
3. At least 1 financial expert in the Board with professional qualifications and experience in finance and auditing recognised by regulatory authorities;
4. The non-executive Directors (including independent non-executive Directors) in the Board shall account for more than half of the total number of the Board, and independent non-executive directors shall account for one-third of the total number of the Board;
5. The age composition of the Directors is reasonable. The existing 8 Directors range from 42 years old to 64 years old, of which 6 are under 60 years old and 2 are above 60 years old;
6. Directors are engaged in diversified professions. The existing 8 Directors have a balanced mix of experience, including operation and management, rail transit, automobile, finance and accounting.

During the reporting period, in order to further enhance corporate governance, satisfy the board diversity requirements and strengthen the scientific decision-making capabilities of the Board, the Company, recognizing the importance of gender diversity, elected Ms. Chen Zhiman as the employee Director of the seventh session of the Board through the employee congress. Upon nomination by the nomination committee and approval by the Board, Ms. Chen Zhiman was elected as a member of the Strategy and ESG Committee and a member of the Science and Technology Innovation Committee of the Board. The corporate governance was further regulated. The nomination committee has considered the board diversity policy and whether the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance. For the year ended 31 December 2025, the Company has achieved the measurable objectives in the board diversity policy. When selecting and recommending suitable candidates for Board members, the Company will take the opportunity to increase the proportion of female members on the Board and enhance the level of gender diversity in accordance with Shareholders' expectations and recommended best practices.

The Company approved the Employee Diversity Policy at its meeting held on 27 June 2025, which sets out the principles and commitments of the Company to achieve diversity and inclusion for all employees, including senior management.



Corporate Governance Report

At the strategic level, Times Electric upholds a diversified employment philosophy and proactively establishes a fair employment platform. Equality, diversity and inclusion are embedded in its core workplace values and implemented throughout the entire process of recruitment, hiring and promotion. The Company strictly prohibits any form of discrimination based on nationality, race, gender, religious belief, cultural background, physical or mental condition, so as to ensure fairness and transparency in all procedures. It continues to provide equal employment opportunities for individuals from different regions, ethnicities, cultural backgrounds and persons with disabilities, supporting the Company's international strategy and socially inclusive development. This has fostered a diversified talent structure featuring global talent attraction, targeted support and women's empowerment.

At the management level, Times Electric has proactively introduced global talents, strengthened local recruitment overseas, and promoted the internationalization of its talent structure. Every year, the Company formulates and implements special recruitment plans for veterans and persons with disabilities, precisely matching positions with personnel needs to effectively ensure equal employment opportunities. The Company attaches great importance to the career development of female employees, supports their participation in business practice and enhancement of social influence, establishes a platform for experience sharing and career development, provides systematic resource support, and stimulates the value creation capabilities of female employees.

As of 31 December 2025, the Company's senior management team comprised 11 members, including 2 female members. In selecting and recommending suitable candidates for senior management, the Company will duly seize opportunities to increase the proportion of female members. As at the end of the reporting period, the proportion of female employees to total domestic employees of the Company was approximately 18%. The Company assigns job positions within the capabilities of female employees as far as practicable and ensures that the proportion of female employees is maintained at a reasonable level.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2025	3 resolutions were considered, including, among other things, Resolution on the Work Report of the Nomination Committee of the Board in 2024	The nomination committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	None
15 December 2025	1 resolution was considered, i.e. Resolution on Adjusting the Composition of the Relevant Specialized Committees of the Company's Board of Directors	The nomination committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None

Corporate Governance Report

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Li Kaiguo	2/2	100%
Li Donglin	2/2	100%
Zhong Ninghua (Note 1)	1/1	100%
Feng Xiaoyun (Note 2)	1/1	100%

Note 1: Ceased to be a member of the nomination committee with effect from 29 April 2025.

Note 2: Served as a member of the nomination committee with effect from 29 April 2025.

(7) The science and technology innovation committee held 2 meetings during the reporting period

During the reporting period, the science and technology innovation committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Science and Technology Innovation Committee of the Board and performed its duties independently and objectively. The science and technology innovation committee is responsible to the Board, and its major responsibilities include studying and making recommendations to the Board of Directors regarding mid- and long-term strategic planning for technological development, annual scientific research plan and major technological innovation projects of the Company.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2025	2 resolutions were considered, i.e. Resolution on the Company's 2025 Annual Research Plan and Resolution on the 2024 Annual Performance Report of the Science and Technology Innovation Committee of the Board of the Company	The science and technology innovation committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	None
15 December 2025	1 resolution was considered, i.e. Resolution on the Report regarding the Implementation of the Company's Scientific and Technological Innovation During the "14th Five-Year Plan"	The science and technology innovation committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None



Corporate Governance Report

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Xu Shaolong	2/2	100%
Li Donglin	2/2	100%
Shang Jing	2/2	100%
Li Kaiguo	2/2	100%
Feng Xiaoyun	2/2	100%
Chen Zhiman (Note 1)	N/A	N/A

Note 1: Served as a member of the science and technology innovation committee with effect from 15 December 2025.

(8) Details of Matters to which Objections have been Raised

☐ Applicable ☒ Not Applicable

IX. EXPLANATION OF THE AUDIT COMMITTEE ON DISCOVERY OF THE COMPANY'S RISKS

☐ Applicable ☒ Not Applicable

The audit committee has no objection to the supervisory matters during the reporting period.

X. PLAN FOR DISTRIBUTION OF PROFITS OR TRANSFER OF CAPITAL RESERVE FUND

(I) Formulation, implementation or adjustment of cash dividend policy

✓ Applicable ☐ Not Applicable

1. Formulation of cash dividend policy

While pursuing sustainable and healthy business development, the Company attaches great importance to generating reasonable investment returns to the Shareholders. In accordance with the requirements of the CSRC, the Company has made specific stipulations regarding the consideration process of cash dividends and profit distribution. The profit distribution policy of the Company complies with the requirements as set out in the Articles of Association and is designated with defined and clear distribution standards and proportion, subject to complete and sound decision-making mechanism and procedures.

2. Implementation of the cash dividend policy in 2024

At the 16th meeting of the seventh session of the Board held on 28 March 2025, the Resolution on the Profit Distribution Plan of the Company for 2024 was considered and approved, pursuant to which, 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 RMB10.00 (tax inclusive) for every ten Shares held by Shareholders, totaling RMB1,357,948,412.00 (tax inclusive) based on the total share capital of the Company of 1,357,948,412 (including 868,907,512 A Shares and 489,040,900 H Shares) as at 7 August 2025, which is the record date fixed for the implementation of the equity distribution, accounting for 36.68% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for 2024. The above profit distribution plan has been considered and approved at the 2024 annual general meeting of the Company. The 2024 annual profit distribution plan was implemented on 8 August 2025.

3. Implementation of the cash dividend policy in the first half of 2025

At the 2024 annual general meeting held on 27 June 2025, the Resolution on Authorizing the Board of Directors to Determine the Interim Profit Distribution Plan of the Company for 2025 was considered and approved, pursuant to which, the Board was authorized at the general meeting to deal with all relevant matters in relation to the 2025 interim dividend distribution to the extent as permitted under the conditions for profit distribution. At the 20th meeting of the seventh session of the Board held on 22 August 2025, the Resolution on the Interim Profit Distribution Plan of the Company for 2025 was considered and approved. On 20 October 2025, the Company distributed the 2025 interim cash dividend, pursuant to which, the Company paid cash dividend of RMB0.44 per share (tax inclusive) to all the shareholders, totaling RMB597,497,301.28 based on the total share capital of the Company of 1,357,948,412 (including 868,907,512 A Shares and 489,040,900 H Shares), which accounted for 35.75% of the net profit attributable to the shareholders of the Company as contained in the consolidated statements of the Company for the first half of 2025.



Corporate Governance Report

4. Information of 2025 annual profit distribution plan

At the 24th meeting of the seventh session of the Board held on 27 March 2026, the Resolution on the Profit Distribution Plan of the Company for 2025 was considered and approved, pursuant to which, 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 RMB6.80 (tax inclusive) for every ten Shares, i.e. RMB0.68 (tax inclusive) for each share held by Shareholders, totaling RMB923,211,868.16 (tax inclusive) based on the total share capital of the Company of 1,357,948,412 (including 868,907,512 A Shares and 489,040,900 H Shares) as at 28 February 2026, and deducting the 283,900 H Shares repurchased pending cancellation, being 1,357,664,512 Shares (including 868,907,512 A Shares and 488,757,000 H Shares). Total cash dividend of the Company for 2025 (including 2025 interim cash dividend already paid) amounted to RMB1,520,709,169.44 (tax inclusive). The 2025 dividend of the Company accounted for approximately 37.12% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for 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 amount 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 is subject to consideration and approval at the 2025 annual general meeting of the Company.

(II) Special explanations on the cash dividend policy

☒ Applicable ☐ Not Applicable

Whether in compliance with the Articles of Association or resolutions passed at the general meeting	☒ Yes ☐ No
Whether with established and clear cash dividend standards and ratio	☒ Yes ☐ No
Whether determined with sound decision-making procedures and mechanism	☒ Yes ☐ No
Whether the independent Directors fulfill due diligence obligations and exercise the prescribed functions	☒ Yes ☐ No
Whether opportunities are available to minority shareholders for full and adequate expression of opinions and demands, and whether their legitimate rights and interests are fully protected	☒ Yes ☐ No

(III) Detailed reasons for not distributing cash dividends when the Company is profit-making during the reporting period and the parent company achieves positive distributable profits, and utilisation and purpose of the undistributed profits

☐ Applicable ☒ Not Applicable

Corporate Governance Report

(IV) Profit distribution and transfer of capital reserve fund into share capital during the reporting period

✓ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Bonus shares for every 10 shares (share)	–
Profit declared for every 10 shares (RMB) (tax inclusive)	11.20
Transfer of capital reserve fund into share capital for every 10 shares (share)	–
Cash dividend amount (tax inclusive)	1,520,709,169
Net profit attributable to the ordinary Shareholders of the Company as shown in the consolidated statements	4,096,540,421
Cash dividend as a percentage of net profit attributable to the ordinary Shareholders of the Company as shown in the consolidated statements (%)	37.12
Cash repurchase of shares included in cash dividend	–
Total profit distribution (tax inclusive)	1,520,709,169
Total profit distribution as a percentage of net profit attributable to the ordinary Shareholders of the Company as shown in the consolidated statements (%)	37.12

Note: Cash dividend amount (tax inclusive) as set out in the above table includes cash dividends paid for the first half of 2025 and those proposed for year 2025.

(V) Cash dividend for the latest three accounting years

✓ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Net profit attributable to the ordinary Shareholders of the Company as shown in the consolidated statements for the latest accounting year	4,096,540,421
Year-end undistributed profit as shown in the parent's statements for the latest accounting year	24,131,097,793
Accumulated cash dividend for the latest three accounting years (tax inclusive) (1)	3,979,658,869
Accumulated repurchased and cancelled amount for the latest three accounting years (2)	–
Sum of cash dividend and repurchased and cancelled amount for the latest three accounting years (3)=(1)+(2)	3,979,658,869
Average net profit per annum for the latest three accounting years (4)	3,613,295,483
Proportion of cash dividend for the latest three accounting years (%) (5)=(3)/(4)	110.14
Accumulated R&D investment for the latest three accounting years	8,205,314,689
Accumulated R&D investment as a percentage of accumulated revenue for the latest three accounting years (%)	10.86



Corporate Governance Report

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

(I) General information of share incentive plan

☐ Applicable ☒ Not Applicable

(II) Relevant incentive events disclosed in the temporary announcements and with no progress or change in subsequent implementation

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

Employee stock ownership plan

☐ Applicable ☒ Not Applicable

Other incentive measures

☐ Applicable ☒ Not Applicable

(III) The equity incentives granted to the Directors, senior management and core technicians during the reporting period

1. Stock option

☐ Applicable ☒ Not Applicable

2. The first type of restricted stocks

☐ Applicable ☒ Not Applicable

3. The second type of restricted stocks

☐ Applicable ☒ Not Applicable

(IV) Establishment and implementation of evaluation and incentive mechanisms for senior management during the reporting period

✓ Applicable ☐ Not Applicable

According to the relevant requirements of the annual assessment system for management members, the principal positions of the Company's management team are assessed from two aspects: corporate asset management responsibility system, key acts and organisational construction, and the deputy positions of the management team are assessed from three aspects: corporate asset management responsibility system, annual major work objectives, key acts and organisational construction, so as to complete the inspection of the duty performance of the Company's executives and annual performance appraisal, and determine the annual remunerations of the Company's senior management according to the assessment results.

The annual remuneration of senior management is composed of basic annual salary and performance annual salary. The basic annual salary is mainly determined based on factors such as financial contribution, strategic contribution, industry position and market targets, and the performance annual salary is determined based on the organisational performance and individual performance evaluation. In accordance with the relevant requirements of the tenure assessment system for business managers, the senior management of the Company shall be assessed during their tenure from the two aspects of tenure operation targets and key work, and the tenure incentives of the senior management of the Company shall be determined based on the results of the tenure assessment. For details of the remuneration of senior management during the reporting period, please refer to the section headed "The Changes in Shareholding and Remunerations of Current and Resigned Directors, Supervisors, Senior Management and Core Technicians During the Reporting Period" under "Directors, Supervisors, Senior Management and Employees" in this report.

(V) Directors' and supervisors' securities transactions

The Company has adopted a code of conduct not inferior to that stipulated in the Model Code as the code of conduct for all Directors and Supervisors to conduct securities transactions of the Company (the "Code of Conduct"). After making specific inquiries to all Directors and Supervisors, all of them have confirmed that they have complied with the standards stipulated in the Code of Conduct during the year ended 31 December 2025.



Corporate Governance Report

XII. DEVELOPMENT OF INTERNAL CONTROL SYSTEMS AND IMPLEMENTATION DURING THE REPORTING PERIOD

☒ Applicable ☐ Not Applicable

During the reporting period, the Company launched internal control supervision and assessment into itself and its subsidiaries in strict accordance with the requirements of the CSRC, SSE, Stock Exchange, the Company Law and the Articles of Association, based on industry characteristics and actual operating condition of the Company from significant supervision aspects including finance supervision, operation supervision, compliance supervision, overseas business supervision and risk prevention. The Company supervised the prompt rectifications of internal control deficiencies to ensure the effectiveness and sound operation of the internal control system, and effectively control operating risks.

During the reporting period, with a primary focus on internal control and driven by risks, the Company made constant efforts to improve management system, enhance execution and supervision and strengthen risk control capabilities. The Company revised and optimised the internal control system covering the full business process from finance management, budget management, purchase management, production management, R&D management to sales management, in order to align with national policies, industry norms and the Company's development strategy. Through the multi-level supervision mechanism ranging from internal audit, special inspection to external audit, the Company maintained close track of the implementation of internal control policies, and made timely rectifications to any issue identified, so as to guarantee the effective materialisation of internal control measures. Besides, we conducted economic responsibility audits on overseas subsidiaries, comprehensively supervised the internal control of overseas subsidiaries, standardized the conduct of overseas business, and reduced overseas operational risks. We carried out special audit supervision on closed-loop management of audit issues, connected with the Discipline Inspection Commission, linked resources, and promoted the grid management of comprehensive supervision, comprehensive compliance and comprehensive risk control. During the reporting period, the internal control management achieved remarkable results, further strengthened the management and control efficiency, optimized the internal control environment, improved the overall level of the Company's internal control, and provided solid guarantee for the Company's high-quality and healthy development.

Explanation of any significant defects in internal control during the reporting period

☐ Applicable ☒ Not Applicable

XIII. INFORMATION OF MANAGEMENT AND CONTROL OVER SUBSIDIARIES DURING THE REPORTING PERIOD

☒ Applicable ☐ Not Applicable

During the reporting period, the Company strictly complied with the requirements of relevant laws and regulations such as the Company Law and the Articles of Association of the Company, as well as the Company's internal management systems, continuously strengthened the standardized management and risk control of its subsidiaries, and ensured that the operation and development of subsidiaries were consistent with the Company's overall strategic objectives. The Company appointed directors and senior management personnel to key subsidiaries, and continuously improved the corporate governance structure and governance level of subsidiaries by guiding the construction of the boards of directors of subsidiaries and carrying out the reform of supervisory committees. By strengthening the implementation of the "Measures for the Decision-Making Management of Major Issues, Major Projects, Important Personnel Appointments and Removals, and Large-Sum Funds" and daily supervision and management of subsidiaries, the Company ensured the effective implementation of management and control requirements. The Company leveraged strategic planning, comprehensive budgeting and performance assessment to guide and motivate the operation and management of subsidiaries, promoted the realization of strategic implementation of each subsidiary through strategic review, established and improved the compliance management system, supervised each subsidiary to operate in compliance with regulations, improved the risk resistance capacity of subsidiaries, and solidly promoted efficient operation and high-quality development.

Risk alert on abnormalities in the management and control of subsidiaries

☐ Applicable ☒ Not Applicable

XIV. RELEVANT INFORMATION ABOUT AUDIT REPORT ON INTERNAL CONTROL

☒ Applicable ☐ Not Applicable

The Company engaged KPMG Huazhen LLP to audit the effectiveness of the internal control relating to financial reporting, and KPMG Huazhen LLP has issued a standard unqualified audited report.

For details, please refer to the 2025 Internal Control Audit Report of Zhuzhou CRRC Times Electric Co., Ltd. issued by KPMG Huazhen LLP which is published on the website of the SSE on the same date.

Whether to disclose the audit report on internal control: Yes

Opinion type of internal control audit report: standard unqualified opinion



Corporate Governance Report

XV. RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledged that it is responsible for the establishment, improvement and effective implementation of risk (including environmental, social and governance risks) management and internal control systems as well as carrying out supervision on the effectiveness of the risk (including environmental, social and governance risks) management and internal control systems of the Company and its subsidiaries. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has a sound organisation system of internal control and has established the audit and risk control department in charge of internal audit. Guided by the Board, the audit committee and the risk control committee, the audit and risk control department carries out supervision and evaluation for internal controls of the Company and its branches and subsidiaries in respect of important control functions such as financial monitoring, operation monitoring, compliance monitoring, overseas business monitoring and risk prevention and management, and supervises and timely rectifies internal control deficiencies, so as to guarantee the effectiveness and sound operation of the internal control system, and effectively control operating risks.

With a primary focus on internal control and driven by risks, the Company made constant efforts to improve management system, enhance execution and supervision and strengthen risk control capabilities. The Company revised and optimised the internal control system covering the full business process to align with national policies, industry norms and the Company's development strategy. Through the multi-level supervision mechanism ranging from internal audit, special inspection to external audit, the Company maintained close track of the implementation of internal control policies, and made timely rectifications to any issue identified, so as to guarantee the effective materialisation of internal control measures. Besides, we conducted economic responsibility audits of overseas subsidiaries to conduct comprehensive oversight of their internal controls, standardize the conduct of overseas business, and reduce overseas operational risks. We carried out special audit supervision on the closed-loop management of audit issues, coordinated with the discipline inspection authorities, pooled resources, and promoted the grid-based management of comprehensive supervision, comprehensive compliance and comprehensive risk control. During the reporting period, the Company applied a variety of control measures, including authorization and approval, process governance, comprehensive budgeting, cost control, asset management, lean management and information security control, to keep risks within an acceptable range. Through annual internal control evaluation, the Company ensured that the internal control system was reasonably designed, effectively operated and properly implemented. In terms of risk management, the Company improved its comprehensive risk management system, and regularly conducted risk identification, assessment and response, with a focus on financial risks, market risks, operational risks and risks associated with international operations. The Company also established a risk early-warning mechanism to ensure risks are controllable. During the reporting period, the Company did not experience any material internal control deficiencies or monitoring failures. The procedures relating to financial reporting and compliance with the listing rules of the listing locations were effective.

The Board has conducted a review of the effectiveness of risk management and the internal control system of the Company and its subsidiaries during the year and considered that the risk management and internal control systems are effective and adequate to allow the continuing protection and improvement of the Company's internal control activities and ensure the Company's ability to meet the internal business requirements and external environment changes from financial, operational, compliance, overseas operation and risk control perspectives, so as to safeguard the Company's asset and interests of Shareholders.

Corporate Governance Report

The Company strictly complies with applicable laws, regulations, departmental rules and relevant internal systems to govern the handling and disclosure of inside information. The Board is responsible for the management of inside information and adopts stringent management over inside information. From the Board to various subsidiaries, the Company has established a network of information disclosure liaison persons comprising the first responsible persons and business backbones of all departments (units) and subsidiaries. Through internal promotion and training, the Company strengthens the awareness of confidentiality regarding inside information among such liaison persons, so as to ensure that the number of persons with access to inside information is kept to the minimum before the disclosure of inside information by the Company, its directors, senior management and other insiders, and that no insider shall disclose inside information prior to its public announcement.

XVI. DIVIDEND POLICY

The Board adopted a dividend policy on 26 March 2019 to take effect on 1 January 2019, which aims to provide the Shareholders with stable dividends and sets out the principles and guidelines for declaring, paying and distributing the profits of the Company as dividends.

In deciding whether to propose a dividend and determining the amount of dividend, the Board takes into account (i) the Company's actual and expected financial performance; (ii) retained earnings and distributable reserves of the Company and each of the members of the Group; (iii) the debts to equity ratio, return on equity and relevant financial covenants of the Group; (iv) the Group's expected working capital requirements and future strategic plans; (v) the general economic conditions, the Group's financial conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and status of the Group; and (vi) other factors that the Board deems appropriate.

The Company does not have any pre-determined dividend distribution ratio. The declaration and payment of dividends is subject to the absolute discretion of the Board, and any restrictions under the Articles, the Company Law of the PRC, the Corporate Income Tax Law of the PRC and any other applicable laws and regulations. The Board will periodically review the dividend policy and reserves the right in its sole and absolute discretion to amend the policy at any time.

XVII. REMUNERATION OF THE AUDITOR

KPMG Huazhen LLP ("KPMG Huazhen") is the auditor of the Company. For the year ended 31 December 2025, the services provided by KPMG Huazhen and the remuneration are as follows:

(RMB)

Service provided:

Audit Service	5,000,000
Non-audit services (Note)	—
Total	<u>5,000,000</u>

Note: Non-audit services include tax service of related party transactions and contemporaneous documentation and tax advisory.



Corporate Governance Report

XVIII. DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for the preparation of financial statements, and to give a true and fair view of the Group's financial status and operating results for the financial year ended 31 December 2025. The statement by the external auditors of the Company regarding its reporting responsibilities on the consolidated financial statements of the Group is set out in the "Auditors' Report" on pages 249 to 254 of this annual report.

The Directors also confirmed that there were no material uncertainties which may materially affect the ability of the Company to carry on as a going-concern.

XIX. COMPANY SECRETARY

Ms. Cheung Lai Ha ("Ms. Cheung"), assistant vice president of Governance Services of Computershare Hong Kong Investor Services Limited ("Computershare"), is an external service provider and has been appointed as (i) the company secretary, (ii) the authorised representative under Rule 3.05 of the SEHK Listing Rules (the "Authorised Representative"); and (iii) the Authorised Representative to accept service of process and notices on behalf of the Company in Hong Kong under Rule 19A.13(2) of the SEHK Listing Rules and Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Process Agent") of the Company with effect from 27 June 2023. Her primary contact person is Ms. Long Furong ("Ms. Long"), the Secretary to the Board, general legal counsel and chief compliance officer of the Company. Ms. Cheung tendered her resignation from the aforesaid positions with effect from 28 March 2025.

Ms. Long and Ms. Leung Hoi Yan ("Ms. Leung"), assistant to business entity solutions of Computershare who is an external service provider, have been appointed as joint company secretaries of the Company with effect from 28 March 2025. Ms. Leung has also been appointed as the Authorised Representative and Process Agent, and her primary contact in the Company is Ms. Long.

In accordance with Rule 3.29 of the Listing Rules of the Stock Exchange, Ms. Leung and Ms. Long completed no fewer than 15 hours of relevant professional training during the financial year ended 31 December 2025.

For the major work experience of Ms. Long, please refer to the section headed "Directors, Supervisors, Senior Management and Employees" contained in this report.

Ms. Leung has over 14 years of experience in acting as company secretary for entities listed in Hong Kong and corporate governance issues. She holds a Bachelor of Commerce (Hons) degree in Accounting from Hong Kong Shue Yan University and is also an associate of The Hong Kong Chartered Governance Institute and the Chartered Governance Institute.

XX. CONSTITUTION

During the reporting period, the amended Articles of Association passed by way of special resolution at the Company's 2024 annual general meeting held on 27 June 2025 came into effect on 27 June 2025. The Articles of Association currently in force are available for inspection on the websites of the Stock Exchange, SSE and the Company.

XXI. OTHERS

✓ Applicable ☐ Not Applicable

(I) Corporate Culture

Since its establishment in 2005, Times Electric has been upholding the profound cultural heritage of CRRC, and is committed to becoming the global preferred supplier and the world's first-class professional and leading exemplary enterprise providing electrical system comprehensive solutions in the traffic and energy fields. As a joint-stock entity under CRRC, the Company not only carried forward the innovation pursuit and industry leading position of its parent, CRRC Zhuzhou Institute Co., Ltd., since 1959, but also made further gallops in promoting and upgrading corporate culture against the backdrop of a new era.

With the mission of "Connecting the World through Better Mobility", the core value of "Walking the Righteous Path with the Righteous Mind and Doing Good Deeds with Good Intention", and the corporate spirit of "Realistic, Respectful, Innovative and Fruitful", the Company has forged a unique corporate culture system, which not only provided powerful spiritual impetus and cultural support underpinning the development of the Company, but also developed a common value and code of conduct among employees.

In terms of sustainable development, the Company proactively responded to national strategies, and propelled technological advancement and industrial growth via reasonable resource allocation and efficient resource utilisation. We are devoted to providing the public with safe, intelligent, green and comfortable products and services to promote emotional communications, facility connectivity, unimpeded trade and financing, thus facilitating social development and helping the public to live a better life.

The Company is well aware that a healthy corporate culture is the source of internal growth for corporate development. Accordingly, all Directors are required to act properly and lead by example. They proactively promote corporate culture and guide all employees to practise the concept of "acting in compliance with laws, ethics and responsibilities". Meanwhile, the Company continued to carry out the "Six Ones" cultural inheritance project of CRRC, and vigorously implemented the cultural "BI climbing project" to make lean, compliant, quality, safety and responsibility a common goal.

We are committed to assigning all management and employees to perceive, understand, and practise corporate culture, launching corporate culture activities at multiple frequencies, and require all employees to keep the same in mind and to put into practice. Through joint creation of value, we endeavour to benefit our customers, partners, investors and suppliers and share the achievements of our development.

(II) Anti-corruption Policy and Whistle-blowing Policy

For details, please refer to "Operation of Anti-Commercial Bribery and Anti-Corruption Mechanisms" as set out in the section headed "Environmental, Social Responsibilities and Other Corporate Governance Issues".



Environmental, Social Responsibilities and Other Corporate Governance Issues

I. BOARD STATEMENT ON ESG GOVERNANCE

The Board of Times Electric attaches great importance to the Company's ESG and sustainable development, and bears ultimate responsibility for the review and decision-making of the Company's ESG and sustainable development matters. The Board performs the following duties through the three-tier ESG governance structure:

1. Supervise the implementation of ESG and sustainable development initiatives by the management and executive levels;
2. Review and determine the material strategies and policies for the Company's ESG and sustainable development;
3. Identify and assess ESG issues, and prioritize such issues based on their short-term, medium-term and long-term impacts on the Company's business model, operating conditions and ESG performance;
4. Regularly review the progress of ESG and sustainable development objectives;
5. Regularly review the operation of the Company's ESG oversight mechanism;
6. Integrate and consider ESG factors directly when formulating strategies and making decisions on material transactions.

II. OVERALL ESG ACHIEVEMENTS

✓ Applicable ☐ Not Applicable

(I) Industry-specific ESG Practices During the Year

✓ Applicable ☐ Not Applicable

The Company has developed an autonomous collaborative operation control platform for urban rail transit. Through in-depth integration of core systems including signalling, autonomous perception, traction and networking, it has established an integrated technical infrastructure featuring "perception-communication-computing-execution". The platform has developed key equipment such as communication signalling, autonomous perception and network control, achieving cross-system and cross-professional collaborative operation control. It supports rapid customized development for multiple systems including urban rail transit, suburban railways and maglev transportation. In practical application, the platform has significantly improved system reliability and operational efficiency, effectively reduced construction, operation and maintenance costs, and helped lower the full life-cycle carbon emissions of urban rail systems.

Building on its mature technical expertise in high-speed rail traction converters, Times Electric has successfully developed the 2000V/455kW PV inverter "Chixiao". Through the independence of core components and system optimization, the product has significantly enhanced its environmental benefits and industrial synergy value. Relying on topological innovation and breakthroughs in thermal management technology, the product has achieved simultaneous improvements in conversion efficiency and power density, effectively reducing energy consumption and operation and maintenance costs of photovoltaic power generation systems. Its "high-speed rail-grade quality" ensures high reliability of the equipment in complex environments and extends its service life to reduce resource consumption.

Environmental, Social Responsibilities and Other Corporate Governance Issues



The Company has developed the “Yunshu” series of 3. X MW energy storage converters. By integrating core technologies including high power density, hybrid energy storage scheduling and full-domain protection, the products have significantly improved the environmental benefits and operational reliability of energy storage systems. The product has a single-unit power rating of 3.45MW and can seamlessly adapt to the next-generation 587Ah~688Ah high-capacity lithium battery systems. Its grid-forming technology enhances grid adaptability, effectively supports the high proportion accommodation of new energy, and helps reduce carbon emissions.

(II) Performance of ESG Rating During the Year

✓ Applicable ☐ Not Applicable

ESG rating system	ESG rating agency	Rating granted to the Company during the year
CSI Index ESG Rating System	CSI Index	A
Sino-Securities Index ESG rating system	Sino-Securities Index	AAA
Wind ESG Rating System	Wind	AA

Explanations on changes, if any, from the previous year:

CSI Index ESG: The Company was assigned an “A” rating in the CSI Index ESG Rating in 2024 and maintained an “A” rating in 2025.

Sino-Securities Index ESG: The Company was assigned an “A” rating in the Sino-Securities Index ESG Rating in 2024 and achieved an “AAA” rating in 2025.

Wind ESG: The Company was assigned an “A” rating in the Wind ESG Rating in 2024 and achieved an “AA” rating in 2025.

Overall, the Company’s rating performance across various institutions for the current year and previous years demonstrates its steady progress on the path of sustainable development.

(III) Tracking Status by ESG-Themed Index Funds for the Current Year

✓ Applicable ☐ Not Applicable

In 2025, relying on its industry-leading ESG performance, the Company continued to be included as a constituent stock in multiple mainstream ESG thematic indices, including the CSI Chengtong Central Enterprise ESG Index, SSE 380 ESG Benchmark Index, CSI Industrial Securities ESG Profit 100 Index, CSI 1000 ESG Leading Index, CSI 1000 ESG Benchmark Index and Hang Seng A-Share Connect 300 ESG Index. It also successfully newly joined the constituent stocks of mainstream ESG thematic indices such as the Sino-Securities (SSI) ESG Leading Index and CSI Huaxia Bank ESG Index, covering the ESG index series released by several authoritative institutions including CSI, Sino-Securities (SSI) and Hang Seng. This indicates that the Company’s outstanding achievements in ESG aspects have been widely recognized by the capital market, creating favorable conditions for the expansion of the Company’s overseas business.



Environmental, Social Responsibilities and Other Corporate Governance Issues

III. ENVIRONMENTAL INFORMATION OF THE LISTED COMPANY AND ITS PRINCIPAL SUBSIDIARIES THAT ARE INCLUDED IN THE LIST OF ENTERPRISES REQUIRED TO DISCLOSE ENVIRONMENTAL INFORMATION IN ACCORDANCE WITH THE LAW

Number of enterprises included in the list of enterprises required to disclose environmental information in accordance with the law

3

No.	Company name	Query index of environmental information disclosure reports in accordance with the law
1	Zhuzhou CRRC Times Semiconductor Co., Ltd.	Hunan Enterprise Environmental Information Disclosure System (in accordance with the Law)
2	Baoji CRRC Times Engineering Machinery Co., Ltd.	Shaanxi Enterprise Environmental Information Disclosure System (in accordance with the Law)
3	Yixing CRRC Times Semiconductor Co., Ltd.	Jiangsu Enterprise "Environmental Protection Profile" Environmental Information Disclosure System (in accordance with the Law)

Other explanations

☐Applicable ☒Not applicable

IV. PERFORMANCE OF SOCIAL RESPONSIBILITIES

(I) Social Contribution of Principal Business and Key Indicators of Industry

In 2025, taking the opportunity of the 26th "China Youth Volunteer Service Day", Times Electric focused on key areas including student aid, science popularization, voluntary blood donation and community services. The Company fully mobilized young volunteers to plan and implement a series of sustainable and influential public welfare service programs, committed to building a practice platform that integrates social services with youth development. Throughout the year, more than 50 voluntary service activities were organized, with 800 participant-times. The total investment in public welfare activities reached approximately RMB40,000. A voluntary service ecosystem featuring regular activities, wide participation and standardized operation has gradually taken shape.

Building on the continuous advancement of routine volunteer services, the Company has focused on building the featured education-support brand "Green Energy Illuminates the Future", and promoted the in-depth integration of energy science popularization and education assistance. Keeping pace with the development of the national new energy industry, the project has been launched in Youxian, Hunan Province, Bayannur, Inner Mongolia and other places. Through vivid and interesting science popularization classes and practical material support, it has delivered knowledge and inspired dreams for local students. Up to now, more than 300 sets of study materials have been donated to students in remote areas, effectively benefiting a large number of underprivileged students.

Environmental, Social Responsibilities and Other Corporate Governance Issues



(II) Promoting Technological Innovation

Aiming for first-class excellence and high-quality development, the Company always adheres to the innovation-driven and concentric diversification strategy, and is committed to providing society with safe, intelligent, green and comfortable technological products and system services. The Company actively implements the “dual carbon” goals and fully promotes the innovation of clean technologies and products. In 2025, the Company continued to conduct the R&D and industrialization of key products such as photovoltaic inverters, intelligent control platforms, high-reliability energy storage converters and high-performance chips. A number of technologies achieved breakthroughs and were put into market application.

(III) Compliance with Scientific and Technological Ethics

The Company strictly abides by national laws and regulations concerning sci-tech ethics, and integrates ethical governance into the entire process of R&D, production and application. In the R&D phase, the Company has established a sci-tech ethics review mechanism, conducting rigorous assessments of cutting-edge research involving human life and health, ecological environment and public order. It also adheres to the principle of “safety first, life paramount” in its core businesses such as rail transit and new energy, ensuring product design complies with the highest safety and ethical standards. In the development and application phase, the Company implements full-lifecycle quality management and ethical risk control covering raw material procurement to product delivery, and has established a traceable and accountable closed-loop mechanism. During the reporting period, no violations of sci-tech ethics were found within the Company’s operation scope.

(IV) Data Security and Privacy Protection

The Company strictly complies with the Cybersecurity Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China and other laws and regulations. It has formulated a series of internal institutional documents, including the Data Security Management Measures, Measures for the Classification and Hierarchical Management of Data Security, Data Backup and Recovery Management Measures, Cybersecurity Management Measures, Information System Lifecycle Security Management Measures, and Document Encryption and Decryption Management Measures, to continuously improve its data management systems and standard systems and standardize internal data management activities. In accordance with the provisions of the aforesaid management measures, the Company classifies, grades and labels enterprise data. For customer privacy data labeled as SL3 level, the Company implements strict authority management and dynamic desensitization during application.

The Company attaches great importance to information security and has established a systematic, comprehensive and clearly defined information security management system with clear responsibilities and authorities. The Company has set up a Leading Group for Cybersecurity and Informatization, which is personally headed by the Secretary of the Party Committee and the General Manager to take overall charge of the planning and deployment of cybersecurity and informatization development; the leader in charge of cybersecurity and informatization serves as the deputy group leader to specifically promote the implementation of relevant work.



Environmental, Social Responsibilities and Other Corporate Governance Issues

(V) Types and Contributions of Charitable Activities

Type	Quantity	Note
Donations	—	
Including: Cash (RMB0'000)	—	
Value of goods (RMB0'000)	—	
Public welfare projects	—	
Including: Cash (RMB0'000)	—	
Number of people aided (persons)	—	
Rural revitalisation	—	
Including: Cash (RMB0'000)	—	
Value of goods (RMB0'000)	—	
Number of individuals assisted for employment (persons)	—	

1. Detailed information on engagement in charitable activities

☒ Applicable ☐ Not Applicable

On 12 November 2025, Times Electric, in conjunction with the People's Government of Linhe District, Bayannur City, Inner Mongolia Autonomous Region, successfully held the student assistance activity themed "Green Energy Illuminates the Future" at Chengguan Town Central School. Guided by the model of "industrial development + science popularization for education support". The activity deeply integrated the Company's professional strengths with local educational demands.

In 2025, the Company organized its staff volunteer team to deeply participate in the services for the Times Half Marathon, a major local sports event. The Company was responsible for the full operation and support of 14 supply stations along the route, with a total of 140 employee volunteers mobilized for the event.

In 2025, Li Donglin, Chairman of the Company, was invited to deliver a themed speech at the "Vocational Education Lecture Hall". Starting from multiple dimensions including industrial transformation and upgrading, school-enterprise collaboration mechanisms, technological innovation trends and global layout, and combined with real enterprise cases, he provided practical suggestions for the integration of vocational education with industrial demands.

Environmental, Social Responsibilities and Other Corporate Governance Issues



2. Details on consolidation and expansion of achievements of poverty alleviation and information about rural revitalisation

✓ Applicable ☐ Not Applicable

Poverty alleviation and rural revitalisation projects	Quantity/content	Note
Total investment (RMB0'000)	258.99	
Including: Cash (RMB0'000)		
Value of goods (RMB0'000)		
People benefited (person)		
Assistance methods (e.g., industrial poverty alleviation, employment poverty alleviation, educational poverty alleviation, etc.)		

Explanation

✓ Applicable ☐ Not Applicable

The Company's R&D team has been deeply involved in the entire process of the Ningxia Tengger Base, a national key project, providing core technical support and guarantee. The project innovatively explores the "photovoltaic + desert control" model. Through comprehensive measures such as elevating photovoltaic panels, laying straw checkerboards, and planting drought-tolerant plants, it effectively controls desertification while generating electricity. By the end of the reporting period, the desert control area of the project had exceeded 65,000 mu, and the vegetation coverage rate had increased from less than 5% to 15-20%. Times Electric not only helps deliver green electricity but also directly participates in ecological restoration through scientific and technological innovation, laying an ecological foundation for the sustainable development of local villages and the improvement of people's livelihood, and serving the comprehensive revitalization of rural areas with concrete actions.

The Company has provided independently developed grid-forming energy storage systems for photovoltaic bases in Hongsibu of Ningxia, Shufu of Xinjiang and other regions. These facilities standing on the "desert, Gobi and wasteland" and along the "Silk Road" act as a "stabilizer" for the power grid, significantly improving the stability of power grids in remote areas and new energy consumption capacity, ensuring the reliable supply of local clean power, effectively supporting the economic development and safe electricity use for people's livelihood in border areas, and guarding thousands of households with concrete actions.

(VI) Protection of the Rights and Interests of Shareholders and Creditors

The Company has always taken safeguarding the rights and interests of shareholders and creditors as the core principle of its operation and development. During the reporting period, by optimizing the governance structure, improving the institutional system, protecting shareholders' rights and strengthening debt risk management, the Company has established a comprehensive and multi-level rights and interests protection mechanism.



Environmental, Social Responsibilities and Other Corporate Governance Issues

1. Optimize the governance structure and lay a solid foundation for protecting rights and interests

The Company actively responds to the requirements of the new Company Law and promotes key upgrades to its governance structure. In June 2025, upon deliberation and approval at the general meeting of shareholders, the Company officially abolished the board of supervisors, with its functions fully undertaken by the audit committee, achieving a seamless transition of oversight functions and further improving decision-making efficiency. In December of the same year, employee directors were added through democratic election to enhance the diversity and representativeness of the board of directors. Independent directors performed their duties diligently, attending all 7 meetings of the board of directors and 4 general meetings of shareholders throughout the year, and effectively safeguarding the interests of all shareholders. With solid governance performance, the Company has been rated Class A in information disclosure by the SSE and awarded the honor of “Best Practice Board of Directors” for consecutive years.

2. Improve the institutional system and strengthen rule-based guarantees

In accordance with the latest regulatory requirements, the Company has systematically revised 28 core systems including the Articles of Association and the Rules of Procedure for General Meetings of Shareholders, and formulated a new Market Value Management System. This has established an advanced, systematic and comprehensive internal governance rule system, providing solid institutional support for the protection of shareholders’ rights and interests.

3. Protect shareholders’ rights and interests and implement diversified returns

The Company fully protects the right to know, right to participate and right to benefit of minority shareholders. All general meetings of shareholders adopt a combination of on-site and online voting, and proactively invite minority shareholders to participate through the “One-Click Access” platform. For major matters, separate voting is conducted and the results are disclosed. Attaching great importance to shareholder returns, the Company implemented two dividend distributions during the reporting period, namely the 2024 annual dividend and the 2025 interim dividend, with a total cash dividend of approximately RMB1.955 billion. In addition, the Company carried out share repurchase and cancellation in the Hong Kong stock market, so as to enhance shareholder value through diversified methods.

4. Strengthen debt risk control and safeguard the rights and interests of creditors

The Company adheres to the spirit of contract and incorporates the protection of creditors’ rights and interests into its comprehensive risk control system. As at the end of the reporting period, the asset-liability ratio remained at a relatively low level of 36.29%, and its operating cash flow was sound, providing solid support for debt repayment. The Risk Control Committee under the Board of Directors continuously monitors credit and liquidity risks. When conducting matters involving changes in registered capital such as H-share repurchase, the Company strictly performs the creditor notification procedures to ensure compliance with laws and regulations and effectively safeguard the legitimate rights and interests of creditors.

In summary, through systematic efforts, the Company has achieved the organic unity of shareholder returns and creditor protection, and promoted the comprehensive improvement of corporate governance, transparency and sustainable development capacity.

Environmental, Social Responsibilities and Other Corporate Governance Issues



(VII) Protection of Employees' Rights and Interests

Times Electric firmly safeguards the legitimate rights and interests of employees, continuously improves the employment management system, adheres to the principle of equality and fairness in recruitment, resolutely puts an end to all forms of discrimination and harassment, and is committed to fostering a diverse, equal and inclusive working environment.

At the governance level, Times Electric strictly complies with national laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, and the Law of the People's Republic of China on the Protection of the Rights and Interests of Women, and faithfully performs the Collective Labor Contract signed between the Company and the trade union. Meanwhile, the Company has formulated a series of internal systems including the Measures for the Administration of Performance Remuneration and Business Expenses of Professional Managers, the Measures for the Administration of Employees' Internal Retirement, and the Measures for the Administration of Employees' On-the-job Resettlement, jointly establishing a systematic and comprehensive labor employment system.

In 2025, the Company updated the Measures for the Administration of Recruitment and revised the Measures for the Handling of Employees' Violations of Rules and Disciplines, further standardizing the recruitment process and the definition of labor discipline, eliminating discriminatory clauses, and promoting the continuous improvement and standardized operation of the employment management and rights and interests protection system.

At the strategic level, Times Electric incorporates equality, diversity and inclusion into the core values of the workplace, which runs through the entire process of recruitment, employment and promotion. The Company explicitly prohibits any discriminatory clauses based on factors such as nationality, ethnicity, gender, religious belief, cultural background and physical or mental status, ensuring fairness and transparency in all links. Times Electric firmly opposes all forms of employment discrimination, strictly abides by international labor standards, prohibits child labor, eliminates forced or compulsory labor, resolutely resists any form of workplace harassment, and provides a safe and respectful working environment for all employees.

Times Electric strictly follows the principles of "distribution according to work and equal pay for equal work". Relying on systems including the Measures for Wage Payment Administration and the Measures for Employee Performance Management, the Company has systematically established and implemented a scientific salary and welfare system. The Company pays social insurance and housing fund for all employees in accordance with the law, and provides diversified and multi-level corporate supplementary benefits. In terms of leave management, the Company fully implements the national Regulations on Paid Annual Leave for Employees and relevant implementation measures, effectively protecting employees' lawful right to paid annual leave.

Information on employee shareholding

Number of employees holding shares (person)	—
Number of employees holding shares as a percentage of total workforce of the Company (%)	—
Number of shares held by employees (0'000 shares)	—
Number of shares held by employees as a percentage of total share capital of the Company (%)	—



Environmental, Social Responsibilities and Other Corporate Governance Issues

(VIII) Protection of Rights and Interests of Suppliers, Customers and Consumers

Protection of Customers' and Consumers' Rights and Interests

Times Electric has always regarded the protection of customers' rights and interests as one of its core responsibilities. By establishing and improving its customer service system, continuously optimizing service processes and steadily enhancing service quality, the Company is committed to providing customers with comprehensive, multi-level safety guarantees and high-quality service experiences.

Product Complaint Management

To standardize the customer feedback response mechanism and improve service quality management, Times Electric issued the Customer Complaint Management Process. This process defines customer complaints, classifies them into types (penalty-related, complaint, grievance) and establishes three-level grading criteria (A, B, C). It systematically builds a full-process management framework covering complaint receipt, information verification, task assignment, cause analysis, customer communication, responsibility determination, and assessment closure. The process clearly specifies the responsible roles and processing timelines at each stage, aiming to achieve standardized, efficient and traceable complaint handling, and continuously enhance customer satisfaction and the Company's quality management efficiency. In 2025, Times Electric received a total of 2 formal customer complaints related to product or service quality. All complaints were responded to, processed and confirmed with customers, achieving a 100% customer complaint resolution rate.

Customer Satisfaction Survey

To fully understand customer needs and systematically optimize the service system, the Company further deepened its customer satisfaction survey this year, upgrading it across multiple dimensions including survey targets, coverage areas and research methods, aiming to obtain more authentic and comprehensive customer feedback. Based on the Company's annual sales volume and the inventory of under-warranty products, the survey precisely selected 60 key customers. A total of 618 questionnaires were distributed, and 522 valid questionnaires were recovered. The final customer satisfaction score was 95.5 points, exceeding the preset target of 87 points, successfully achieving the annual goal. All comments and suggestions put forward by customers in the survey have been incorporated into the Company's follow-up key improvement plans, and a continuous tracking and closed-loop management mechanism has been established to ensure that every piece of feedback is properly implemented, promoting continuous improvement in customer satisfaction and service quality.

Environmental, Social Responsibilities and Other Corporate Governance Issues



Protection of Suppliers' Rights and Interests

Times Electric strictly abides by relevant national and international laws and regulations, and has established a complete set of supply chain management systems based on its own business characteristics, including the Supplier Access Management Process, Supplier Performance Evaluation Management Process, Supplier Classification Management Process, and Supplier Exit Process. These systems cover the entire process of supplier access, classification, performance evaluation, audit and exit, emphasizing the three-dimensional selection and management standard of "qualification + capability + compliance". The whole-process digital control is realized through the Supplier Relationship Management (SRM) system, ensuring that the procurement process is transparent and traceable, and operations are standardized and verifiable.

In terms of ESG and green compliance, Times Electric requires all suppliers to sign the Supplier Code of Conduct, which clarifies their core responsibilities in environmental protection, labor rights and interests, business ethics and other aspects, regulates supplier conduct, and prevents corruption and unfair competition.

In addition, the Company has established a "three lines of defense" oversight system to ensure the legal compliance of procurement operations. The responsible entities of the processes and systems regularly or irregularly review, optimize and update relevant systems, continuously driving the improvement and enhancement of supply chain management.

(IX) Product Safety Guarantee

To earnestly fulfill product liability and safeguard user rights and public safety, Times Electric has established a systematic and sound defect prevention and proactive recall management mechanism. Centered on the Measures for Nonconformity Management, the Company standardizes the entire process of recall activities. In accordance with the Measures for Product Quality Problem Management, products recalled due to "quality issues" are defined as "major or above nonconforming products", triggering the highest-level control procedures.

When recall conditions are triggered, the Company immediately activates a standardized emergency response process, and advances risk control and information notification simultaneously: Physically isolate and label similar products in production and inventory to stop the spread of risks; Conduct a prompt technical investigation and formally communicate the investigation findings and recall decision to affected customers and relevant certification bodies; Negotiate with customers according to the nature of the defect and efficiently implement corrective measures such as repair, replacement and return to completely eliminate product risks.

With a commitment to rapid response, transparent processes and accountability, Times Electric earnestly fulfills its product responsibilities, fully demonstrating the effectiveness of its quality management system and its sense of social responsibility.



Environmental, Social Responsibilities and Other Corporate Governance Issues

(X) Intellectual Property Protection

The Company has systematically strengthened intellectual property management, issued and implemented the *Measures for Intellectual Property Management*, and integrated the concept of high-quality development into the entire process of IP creation, protection, management and application. By conducting a comprehensive inventory and investigation of patent assets, the Company has consolidated the management foundation and promoted the systematization and standardization of IP work, providing strong support for the Company's innovative development and the construction of core competitiveness. During the reporting period, the Company filed a total of 530 patent applications, of which 404 were granted, with a cumulative total of 3,858 valid patents; the Company filed a total of 430 invention patent applications, of which 306 were granted, with a cumulative total of 2,647 valid invention patents.

The Company has established a systematic intellectual property (IP) and innovation management training system, carrying out hierarchical and classified empowerment activities around the entire life cycle of scientific research projects. For IP engineers, key project responsible persons and relevant personnel, the Company organizes annual special IP training, covering patent search and risk analysis methods, patent layout planning and key points of report compilation. Meanwhile, for all scientific and technological management personnel, the Company irregularly carries out a series of innovation-driven training, including the promotion of scientific research project approval and conclusion processes, the standards for project fund management, and the naming rules for scientific research projects, so as to comprehensively improve the standardization and professionalism of scientific research management.

(XI) Other Circumstances in Undertaking Social Responsibilities

✓ Applicable ☐ Not Applicable

For details, please refer to the 2025 Environmental, Social, and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. disclosed on the same date on the websites of the SSE and the Hong Kong Stock Exchange.

V. OTHER CORPORATE GOVERNANCE ISSUES

(I) Party Building

✓ Applicable ☐ Not Applicable

In 2025, the Party Committee of Times Electric thoroughly implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully acted on the guiding principles of the 20th CPC National Congress and the Fourth Plenary Session of the 20th CPC Central Committee, and earnestly carried out study and education on thoroughly implementing the spirit of the Central Committee's Eight-Point Decision on Improving Party and Government Conduct. It fully implemented the theme of "Leading New Quality" put forward by the Party Committee of CRRC and the "One Integration, Three Modernizations" high-quality Party building project of Zhuzhou Institute, advanced Times Electric's high-quality Party building program "The Flying Flag", and continued to build the "Golden Business Card" of Party building. We ensured that Party organizations were established wherever they were needed, that regular elections were held on schedule, that Party affairs cadres were fully deployed, and that Party building systems were fully established.

As of December 2025, Times Electric had established a total of 20 directly affiliated primary-level Party organizations and 97 grassroots Party branches. It had 3,186 Party members, 7,906 trade union members, 1,084 Communist Youth League members, 4,596 young people under the age of 35, and 998 full-time and part-time Party-masse workers.

Environmental, Social Responsibilities and Other Corporate Governance Issues



(I) Implement the “Navigation Project” to effectively strengthen political development and enhance leadership capacity

In 2025, the Party Committee of Times Electric made ideological and political education its top priority. Throughout the year, it held 8 sessions of study for the Party Committee Theoretical Study Group, 67 sessions of “First Agenda” study, 1 reading class, 1 training course for Party secretaries, and 1 ideological and political education festival. It thoroughly studied and implemented the spirit of General Secretary Xi Jinping’s important instructions on 26 February and 6 November, as well as his three important instructions and cordial encouragement during his inspections of CRRC, effectively unifying thinking and actions with the spirit of these important instructions. It carried out in-depth study and education on implementing the spirit of the Central Committee’s Eight-Point Decision on Improving Party and Government Conduct, ensuring the regular and long-term implementation of such study and education. It dynamically revised the Management Measures for Decision-Making on “Three Importance and One Large” and decision-making item lists for 30 business units and legal entities, clarified decision-making subjects, and strictly implemented the “pre-procedure review requirement”.

(II) Implement the “Foundation-Strengthening Project” to effectively consolidate organizational development and enhance execution capacity

In 2025, acting in accordance with the principle of “Four Synchronizations and Four Alignments”, the Party Committee of Times Electric completed the general election of Party organizations at all levels. It newly established 8 Party committees at the business unit level, 1 directly affiliated general Party branch, and 28 grassroots Party branches. Party branches were set up on project sites, with 5 temporary Party branches established for the market promotion of new energy locomotives, R&D of the electrical system for the CR450 EMU, capacity expansion and upgrading of electric drive mass production, development of the optical storage platform, and R&D of high-reliability chips and modules. The Party Committee strengthened the echelon development of Party members: 54 new Party members were recruited, 84 probationary Party members were converted to full membership, and 80 activists were identified, maintaining the vitality of the Party membership. To give play to the vanguard and exemplary role of Party members, grassroots Party organizations leveraged the mentoring, supporting and guiding role of key Party members through the establishment of Party member vanguard posts and the “Blue-Green Pairing” mentor-apprentice program. It launched the development of 16 Party member vanguard teams, 5 Party member responsibility areas, and 4 Party member empowerment stations to advance the integration of Party building and business operations. Joint Party building activities were carried out with 16 entities including Hefei Rail Transit, FAW New Energy Business Department, and Tsinghua University, further developing the practical model of Party building empowering the industrial chain, supply chain, and innovation chain.

(III) Implement the “Soul-Gathering Project” to effectively promote the in-depth integration of cultural development into the hearts and minds of all staff

In 2025, the Party Committee of Times Electric thoroughly promoted and implemented the corporate spirit of “Pragmatism, Respect, Innovation, and Achievement”. It held the “Stories of CRRC” Talk Show Conference and a series of activities for the 20th Anniversary Celebration to strengthen cultural development. Focusing on the two fields of “transportation and energy”, the Company actively carried out news publicity and communication to empower corporate development. It was reported by authoritative industry media more than 50 times. Among them, the new energy power generation sector was featured in Chasing the Light, a large-scale industrial documentary by CCTV, which greatly enhanced the Company’s brand awareness and influence. More than 20 exhibitions were organized, with appearances at international events such as the Berlin International Rail Transit Exhibition and the International Photovoltaic Exhibition. Symposiums were held for high-level intellectuals under the united front work to further unite ideological strength. Cultural creation achieved fruitful results: The Common Answer was awarded an outstanding short film on core socialist values in the state-owned assets system; Braving Java won an outstanding work award in the “Belt and Road” Footprints in 100 Countries Short Video Competition. “Times Electric” was successfully selected as an outstanding corporate brand in the Brand Leadership Campaign of Central Enterprises.



Environmental, Social Responsibilities and Other Corporate Governance Issues

(IV) Implement the “Elite Project” to continuously enhance the combat effectiveness of cadres

In 2025, the Party Committee of Times Electric adhered to the Party’s leadership over cadres, fully implemented the management, performance and assessment of the “Two Systems and One Contract”, and achieved 100% coverage in signing annual responsibility statements for cadres. A total of 62 cadre appointments and removals were completed. The proportion of cadres recruited through open competition was strictly controlled, with the proportion of newly appointed cadres through open competition exceeding 90%. Pre-appointment inspections for first-time principal cadres reached 100% coverage. Basic data was improved for 521 middle-level managers covering 603 middle-level management positions, aiming to build a high-caliber talent team. Overseas personnel management was strengthened, with enhanced oversight responsibilities for overseas top executives and the supervisory function of heart-to-heart talks conducted by the Party Committee. Adhering to the Party’s leadership over talent, the Party Committee precisely selected young scientific and technological talents and strengthened the three-level talent reserve pool, which includes 272 talents in the first-tier pool, 280 in the second-tier pool and 202 in the third-tier pool, providing a solid source of momentum for innovative development. The reform of the industrial workforce in the new era was further advanced. Relying on the exemplary role of 4 model worker studios, skills were passed on with craftsmanship and talents cultivated through hard work. A large number of outstanding craftspeople emerged, represented by Yang Yan, the “IPC Champion”, injecting strong impetus into the high-quality development of the enterprise.

(V) Implement the “Integrity Project” to effectively strengthen the building of a clean and honest Party conduct and enhance guarantee capacity

In 2025, the Party Committee of Times Electric planned, deployed, promoted and assessed Party building alongside the Company’s reform, development and production and operation. Responsibility documents for Party building and the development of a healthy political culture were signed at all levels, forming a working structure in which each level takes responsibility and ensures implementation. The principle of the Party overseeing confidentiality was implemented, with confidentiality work included in the Party Committee’s agenda and Party building assessment. Efforts were made to strengthen confidential management, education and self-inspection, so as to ensure confidentiality requirements were synchronously implemented for major projects. The Company supported the in-depth research by the CRRC Inspection Group and accepted the routine and elevated inspections conducted by the Party Committee of Zhuzhou Institute. Routine inspections were carried out on 4 subordinate Party organizations, together with a special inspection on the “11 prominent problems identified in the central inspection”. The development of a “multi-in-one” oversight system was deepened, with coordinated progress on 15 oversight items including technical service procurement and two-fund management, forming a strong oversight synergy. A “four-in-one” cultural and educational system for integrity was strengthened. Activities such as “Discipline Inspection Cadres Talking about Discipline” and Integrity Culture Week were held on a regular basis, continuously fostering a sound and healthy political environment.

(VI) Implement the “Cohesion Project” to effectively strengthen the building of mass organizations and enhance cohesion

In 2025, the Party Committee of Times Electric deepened the work of promoting the development of trade unions and guiding the development of the Communist Youth League through Party building. It carried out labor competitions, skills contests and other activities, and advanced the establishment of “Youth Civilization” models to activate the role of young talents as a new force. More than 50 public welfare activities were held, including student aid, science popularization and voluntary blood donation. The “Dandelion” student aid brand was further developed, with over 300 sets of supplies donated to Youxian, Bayannur and other areas, fulfilling social responsibilities. The “Six Deliveries & Three Concerns” care program was conducted on a regular basis. More than 1,000 care packages were distributed through the “Tuantuan Good Care” initiative, and 4 “Four Seasons Fellowship” events were held. With the support of trade union associations and the CYLC “Fun & Trend Circle”, over 100 special activities were organized to unite the concerted efforts of all staff.

Environmental, Social Responsibilities and Other Corporate Governance Issues



(II) Investor Relations and Protection

Type	Times	Relevant information
Results briefing	3	Holding the 2024 Annual Collective Financial Results Briefing for the Advanced Rail Transit Industry on the Sci-Tech Innovation Board on 21 May 2025. Participating in the 2025 Semi-Annual Collective Performance Briefing for Sci-Tech Innovation Board Listed Companies in Hunan Province on 2 September 2025. Holding the 2025 Q3 Performance Briefing on 2 December 2025.
Developing investor relations management activities leveraging new media	/	Participating in the special activity “Sci-Tech Innovation 3 Minutes” of the SSE, with the Chairman summarizing the Company’s 2024 performance to investors around upgrading industrial operation quality, driving development through scientific and technological innovation, and stimulating vitality by deepening reform. Communicating operation achievements and development prospects to investors in terms of capacity layout, transformation of technological breakthroughs, improvement of operational efficiency, and future growth drivers, and completing the release of the video. Participating in the activity “Capital Gathers in Hunan, Chu Shines for a New Journey – 2025 Hunan Jurisdiction Listed Companies Investors Online Collective Reception Day & Semi-Annual Performance Briefing” jointly held by Hunan Securities Regulatory Bureau, Hunan Listed Companies Association and Shenzhen Panorama Network Co., Ltd. on 19 September 2025. The Company has an official WeChat account, aiming to timely feedback the Company’s recent important developments to investors and the market, convey the Company’s core intrinsic value, and help investors quickly grasp the Company’s operational overview.
Setting up investor relations column on official website	☒ Yes ☐ No	

Detailed information on investor relations management and protection

☒ Applicable ☐ Not Applicable



Environmental, Social Responsibilities and Other Corporate Governance Issues

In 2025, the Company communicated with investors and analysts via performance briefings, conference calls, roadshows, reverse roadshows, shareholders' general meetings, strategy meetings held by securities companies and other channels, to expand the Company's influence in the capital market.

The Company held the 2024 Annual Results Presentation and Roadshow in Hong Kong on 8 April 2025, which was attended by investors and senior analysts from major international financial institutions. Senior management of the Company, including the Chairman, Executive Director and General Manager, Independent Directors, Deputy General Manager and Chief Financial Officer, attended the meeting to introduce the Company's operating performance and industrial development achieved in 2024. On 10 September 2025, the Company held the "Times Electric: Deep Sea, New Journey" reverse roadshow in Shanghai, where investors and analysts were invited through open registration to visit the Company's marine equipment production workshops on site. This event aimed to strengthen communication and exchanges between the Company and investors, enhance investors' understanding of the Company's marine equipment business, boost market recognition and value realization of the listed company, and improve the quality of the listed company. Following the release of periodic reports, the Company convened analyst conference calls and performance briefings, at which the Company's senior management timely interpreted the periodic reports to analysts and investors, and introduced the Company's operating performance and business development.

The Company assigns dedicated personnel to answer investor calls, receive investor emails, and monitor investor inquiries on the E-Interaction platform, responding patiently to investors' concerns.

Over the past year, the Company's work has been widely recognized by regulatory authorities, the capital market and professional institutions. It received awards including the "Top 30 Sci-Tech Innovation Board Listed Companies by Value" at the 19th China Listed Company Value Selection and the 16th "Tianma Award for Investor Relations Management of Chinese Listed Companies".

Explanation of other channels to communicate with investors

✓ Applicable ☐ Not Applicable

The Company replied to investors' questions on SSE E-Interaction from time to time.

Environmental, Social Responsibilities and Other Corporate Governance Issues



(III) Transparency of Information Disclosure

✓ Applicable ☐ Not Applicable

The Company strictly adheres to the regulatory requirements of laws, regulations, and normative documents such as the Company Law, the Securities Law, the SSE STAR Market Listing Rules, and the SEHK Listing Rules. It fulfills its information disclosure obligations, guarantees that the disclosed information is true, accurate, complete, timely, and fair, ensures equal access to information for all shareholders and safeguards the interests of all shareholders, particularly minority shareholders. The Company systematically carries out information disclosure, establishes a smooth internal information reporting system, a comprehensive regulatory working mechanism, and a coordinated disclosure process. From the Board of Directors to each subsidiary, the Company has built a network of information disclosure associates comprising the primary responsible persons and key business personnel from various departments (units) and subsidiaries. Through internal communication, the Company reinforces the information disclosure obligations and insider information confidentiality awareness of these associates.

The Company continuously improves the quality of information disclosure. The Company timely discloses its annual report, ESG report and other reports, and simultaneously produces “One-Page Guides” to help investors understand the Company’s operations in a more accessible manner through various channels such as the official WeChat account. Meanwhile, it issues announcements to demonstrate to the capital market the Company’s highlights in improving corporate governance, scientific research progress, business development, social responsibility and investor relations management. The Company’s announcements and circulars are disclosed on the SSE, the Hong Kong Stock Exchange, the Company’s website and designated newspapers (if necessary) in accordance with the listing rules of the listing locations. There are no false records, misleading statements or material omissions, thus safeguarding the legitimate rights and interests of investors.

The Company’s information disclosure maintained Class A rating in the SSE’s 2024-2025 Annual Information Disclosure Evaluation for Shanghai-listed companies. Since the first information disclosure rating for the Sci-Tech Innovation Board in 2023, the Company has been awarded Class A for three consecutive years.

(IV) Institutional Investors’ Participation in Corporate Governance

✓ Applicable ☐ Not Applicable

The Company places great emphasis on building long-term, stable, and positive relationships with institutional investors, encouraging them to participate in corporate governance through methods such as voting at shareholder general meetings. During the reporting period, the Company held 4 general meetings. Additionally, the Company continuously improves the ways institutional investors can engage in corporate governance, helping them gain a deeper understanding of the Company’s business and value through roadshows, reverse roadshows, strategy meetings, conference calls, and on-site research visits.



Environmental, Social Responsibilities and Other Corporate Governance Issues

(V) Operation of Anti-Commercial Bribery and Anti-Corruption Mechanisms

☒ Applicable ☐ Not Applicable

The Company adheres to the core values of “Walking the Righteous Path with the Righteous Mind and Doing Good Deeds with Good Intention”, deeply integrating business ethics into all aspects of internal management and external cooperation, and maintains a zero-tolerance attitude toward commercial bribery and corruption. Based on anti-corruption and business ethics, the Board of Directors bears ultimate responsibility for business ethics and conducts regular oversight. The Company strengthens full-process integrity risk prevention and control through multiple measures, including improving systems and the supervision system, expanding audit coverage, collaborating with partners, and opening up reporting channels. Meanwhile, the Company upholds integrity as the foundation in external cooperation, works with business partners to build a fair competition order, and jointly creates a transparent and trustworthy business ecosystem. During the reporting period, operations in relevant areas remained stable with no violations.

The Company strictly complies with national laws and regulations including the Criminal Law of the People’s Republic of China, the Anti-Unfair Competition Law of the People’s Republic of China and the Interim Provisions on Prohibiting Commercial Bribery. It also implements internal systems such as the Measures for the Administration of Decision-Making on “Three Important Issues and One Major Issue”, the Measures for the Administration of Prohibition of Commercial Bribery and the Measures for the Handling of Disciplinary Inspection and Petition Reports, so as to ensure the in-depth implementation of integrity construction within the Company and among business partners and resolutely eliminate commercial bribery and unfair competition. In 2025, the Company further improved its internal integrity system guarantee and raised the level of integrity construction by formulating and revising key internal systems including the Measures for the Administration of Integrity Practice, the Measures for the Implementation of Integrity Risk Prevention and Control and the Measures for the Implementation of Discipline Inspection Commission Supervision. During the reporting period, neither the Company nor its employees were involved in any litigation cases relating to corruption, bribery, extortion or fraud.

(VI) Other Corporate Governance Issues

☐ Applicable ☒ Not Applicable

VI. MISCELLANEOUS

☐ Applicable ☒ Not Applicable

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

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	-	-



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	CRRC ZELRI, CRRC Zhuzhou, CRRC Investment & Leasing	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 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	Yes	-	-
					within 36 months from the date of the listing of Times Electric's A Shares			

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	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; 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.	28 December 2020	Yes	Yes	-	-
						long-term effective		



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, CRRC ZELRI and the Company's Directors	The Company, CRRC 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 1. Conditions for Activation of the Share Price Stabilisation Measures 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. 2. Conditions for Cessation of the Share Price Stabilisation Measures 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.					

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

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.

1. Share Price Stabilisation Measures by the Controlling Shareholders of the Company
 - (1) 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.
 - (2) 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.



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

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, 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 RMB 100 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.

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

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.



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

- (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.

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					
			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.					
			2. Restraint Measures for Violation of the Undertakings by the Company					
			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.					
			3. Restraint Measures for Violation of the Undertakings by the Directors and Senior Management of the Company					
			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.					



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
			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.					
Others		The Company	The Company's Measures and Undertakings in respect of Share Repurchase and Share Buy-back The issuer has given the following undertakings in respect of share repurchase and share buy-back: 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	-	-

Significant Events

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			(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. (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). 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.					



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 ZELRI 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 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. 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.	28 December 2020	Yes	Yes	-	-

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 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.

28 December 2020

Yes

long-term effective

Yes



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 has given the following undertakings in respect of no-fraud in the issuance and listing. 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	CRRC ZELRI has given the following undertakings in respect of no-fraud in the issuance and listing. 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	CRRC Group has given the following undertakings in respect of no-fraud in the issuance and listing. 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	-	-

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: - 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. - 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. - 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 (《關於首次發行及再融資、重大資產重組籌建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	-	-



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: - 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. - 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. - 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	-	-

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	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: - 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 post consumption behaviour of 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 promulgate 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	-



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
	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: - 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. - 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 among the laws, regulations, regulatory documents, the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the related liabilities and consequences liable for as a result of breach of the above undertakings by the Company, the Company shall voluntarily and unconditionally abide by such requirements.	28 December 2020	Yes	Yes	-	-

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	CRRC ZELRI has given the following undertakings in respect of compensation under the law or compensation liabilities: - 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 among the laws, regulations, regulatory documents, the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the related liabilities and consequences liable for as a result of 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	-	-



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	CRRC Group has given the following undertakings in respect of compensation under the law or compensation liabilities: - 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. - 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. - Where there were discrepancies in the requirements among the laws, regulations, regulatory documents, the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the related liabilities and consequences liable for as a result of breach of the above undertakings by the group, the group shall voluntarily and unconditionally abide by such requirements.	28 December 2020	Yes	Yes	-	-

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	The Directors, supervisors and senior management of the Company have given the following undertakings in respect of compensation under the law or compensation liabilities: - 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 among the laws, regulations, regulatory documents, the CSRC or stock exchanges in respect of the related liabilities and consequences liable for as a result of breach of the above undertakings by me, I shall voluntarily and unconditionally abide by such requirements.	28 December 2020	Yes	long-term effective	Yes	-



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 agrees to take the following restrictive measures in case that it fails to fulfill the relevant public undertakings: - 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: - 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; - The Company shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities; - 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; - 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; - Other measures available for adoption according to the then prevailing regulations.	28 December 2020	Yes	Yes	-	-
						long-term effective		

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 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 other shareholders of Times Electric and social public investors on newspapers designated by 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 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; (4) Other measures available for adoption according to the then prevailing regulations.	28 December 2020	Yes	Yes	-	-



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 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	Yes	-	-
						long-term effective		

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	Others	Directors, supervisors and senior management of the Company	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: - 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. - 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: - 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; - I shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities; - 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; - 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; - Other measures available for adoption according to the then prevailing regulations.	28 December 2020	Yes	long-term	-	-



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 ZELRI has given the following undertakings in respect of avoiding appropriation 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		

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	CRRC Group has given the following undertakings in respect of avoiding appropriation of funds: 1. 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. 2. 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. 3. 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	-



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

Related Party Transactions	CRRC ZELRI	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, and 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.	28 December 2020	Yes	long-term effective	Yes	-

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:	28 December 2020	Yes	Yes	-	-
			- 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, and 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.					



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
	Non-competition undertakings	CRRC Group	CRRC Group has given the undertakings in respect of non-competition, details of which are as follows: 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. 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, in combination with 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.	20 December 2020	Yes	Yes	-	-

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
			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.					



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
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	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.

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
			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. 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. 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.					



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	-	-

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.

(II) The Company's assets or projects involve profit forecast and were still in the profit forecast period during the reporting period, the Company's explanation on whether the assets or projects have met the original profit forecast and the reasons therefor

☐ Reached ☐ Not reached ☒ Not applicable

(III) Performance commitment

☐ Applicable ☒ Not applicable

Changes in performance commitment

☐ Applicable ☒ Not applicable

Other explanations

☐ Applicable ☒ Not applicable

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. EXPLANATION GIVEN BY THE BOARD OF THE COMPANY ON THE "NON-STANDARD AUDITOR'S REPORT" ISSUED BY THE AUDITORS

☐ Applicable ☒ Not applicable



Significant Events

V. EXPLANATION AND ANALYSIS OF THE COMPANY ON THE REASONS FOR AND EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES OR THE CORRECTION OF MAJOR ACCOUNTING ERRORS

(1) Explanation and analysis of the Company on the reasons for and effects of the changes in accounting policies and accounting estimates

☐ Applicable ☒ Not applicable

(2) Explanation and analysis of the Company on the reasons for and effects of the correction of major accounting errors

☐ Applicable ☒ Not Applicable

(3) Communications with former accounting firm

☐ Applicable ☒ Not applicable

(4) Approval procedures and other explanations

☐ Applicable ☒ Not Applicable

VI. APPOINTMENT OR DISMISSAL IN EMPLOYMENT OF AUDITORS

Unit: Yuan Currency: RMB

Current auditors	
Name of domestic Certified Public Accountants	KPMG Huazhen LLP
Total remuneration of domestic Certified Public Accountants	5,000,000
Audit term of domestic Certified Public Accountants	4
Name of the certified public accountants of domestic Certified Public Accountants	Zhang Huan, Shao Siqi
Cumulative years of audit services provided by the certified public accountants of domestic Certified Public Accountants	1
Name of overseas Certified Public Accountants	/
Total remuneration of overseas Certified Public Accountants	/
Audit term of overseas Certified Public Accountants	/
Name of the certified public accountant of overseas Certified Public Accountants	/
Auditor term of the certified public accountant of overseas Certified Public Accountants	/

Significant Events

	Name	Remuneration
Internal control audit Certified Public Accountants	KPMG Huazhen LLP	600,000
Financial advisor	/	—
Sponsor	China International Capital Corporation Limited	—

Explanation on the appointment and dismissal of auditors

☒ Applicable ☐ Not applicable

On 27 June 2025, the 2024 annual general meeting of the Company considered and approved the Proposal on Appointment of Auditor of the Company for 2025, pursuant to which, KPMG Huazhen LLP was appointed as the auditor for the Company's financial reporting audit and internal control audit in 2025.

Explanation on the change in the employment of auditors during the audit period

☐ Applicable ☒ Not applicable

Explanation on the decrease in the audit fees by more than 20% (including 20%) as compared with the previous year

☐ Applicable ☒ Not applicable

VII. RISK OF DELISTING

(1) Reasons leading to the risk warning of delisting

☐ Applicable ☒ Not applicable

(2) The response measures intended to be taken

☐ Applicable ☒ Not applicable

(3) The situation and reasons for facing delisting

☐ Applicable ☒ Not applicable



Significant Events

VIII. MATTERS RELEVANT TO WINDING UP AND SCHEME OF ARRANGEMENT

☐ Applicable ☒ Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION MATTERS

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

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

XII. CONNECTED TRANSACTIONS AND MATERIAL RELATED PARTY TRANSACTIONS

☒ Applicable ☐ Not applicable

(I) Non-exempt continuing connected transactions (disclosure pursuant to the SEHK Listing Rules)

Set out below are the non-exempt continuing connected transactions of the Group which are therefore subject to the reporting, announcement, annual review and/or independent shareholders' approval (if required) requirements under the SEHK Listing Rules.

Property Leasing Framework Agreement with CRRC

On 17 August 2018, the Company entered into the 2018-2027 Property and Ancillary Equipment and Facilities Leasing Framework Agreement (the "2018-2027 Property Leasing Framework Agreement") with CRRC (together with its subsidiaries and each of their respective associates but excluding the Group, the "CRRC Corporation Group"), pursuant to which, the Company and CRRC agreed to lease and procure their group members to lease their lawfully owned properties and/or ancillary equipment and facilities to each other. The agreement shall be valid for a term of ten years commencing from 1 January 2018 and ending on 31 December 2027.

As at the date of the agreement, CRRC is an indirect controlling shareholder of the Company, and is therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the 2018-2027 Property Leasing Framework Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

For the year ended 31 December 2025, under the 2018-2027 Property Leasing Framework Agreement, the rental and other expenses paid by CRRC Corporation Group to the Group were RMB29.82 million, and the rental and other expenses paid by the Group to CRRC Corporation Group were RMB13.18 million (and the balance of right-of-use assets recognised pursuant to Accounting Standards for Business Enterprises No. 21 – Lease was RMB20.45 million), neither of which exceeded the aggregate annual caps stipulated for the financial year ended 31 December 2025 under the 2018-2027 Property Leasing Framework Agreement.

For details, please refer to the announcement of the Company dated 17 August 2018.

Mutual Supply Agreement with CRRC Group

On 29 March 2022, the Company entered into the 2023-2025 Products and Ancillary Services Mutual Supply Agreement (the “2023-2025 CRRC Group Mutual Supply Agreement”) with CRRC Group (together with its subsidiaries and each of their respective associates but excluding the Group, the “CRRC Group of Companies”), pursuant to which, the Company agreed to supply and procure its subsidiaries to supply to the CRRC Group of Companies certain products, parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes; and CRRC Group agreed to supply and procure its subsidiaries and their respective associates (but excluding the Group) to supply to the Group certain products, parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes. The agreement shall be valid for a term of three years commencing from 1 January 2023 and ending on 31 December 2025.

As at the date of the agreement, CRRC Group is an indirect controlling shareholder of the Company, and is therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the 2023-2025 CRRC Group Mutual Supply Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules. Approvals from the independent shareholders have been obtained by the Company at the annual general meeting held on 17 June 2022.

For the year ended 31 December 2025, under the 2023-2025 CRRC Group Mutual Supply Agreement, amount payable by the Group to CRRC Group of Companies for products and/or services provided by CRRC Group of Companies was RMB1,894.20 million, and the amount payable by CRRC Group of Companies to the Group for products and/or services provided by the Group was RMB10,798.86 million, neither of which exceeded the aggregate annual caps for the financial year ended 31 December 2025 as approved by the independent shareholders at the annual general meeting of the Company held on 17 June 2022.

For details, please refer to the announcement of the Company dated 29 March 2022, the circular dated 17 May 2022 and the announcement dated 17 June 2022.

In light of the expiry of the 2023-2025 CRRC Group Mutual Supply Agreement on 31 December 2025, on 30 October 2025, the Company entered into the 2026-2028 Products and Ancillary Services Mutual Supply Framework Agreement with CRRC Group, for a valid term of three years commencing from 1 January 2026 and ending on 31 December 2028. Approval has been obtained from the independent Shareholders by the Company at its 2025 first extraordinary general meeting held on 15 December 2025. For details, please refer to the announcement of the Company dated 30 October 2025, the circular dated 25 November 2025 and the announcement dated 15 December 2025.



Significant Events

Mutual Supply Agreement with Qingdao CRRC Electric Equipment Co., Ltd. (青島中車電氣設備有限公司)

On 28 December 2022, the Company entered into the 2023-2025 Products and Ancillary Services Mutual Supply Agreement ("2023-2025 Qingdao Electric Mutual Supply Agreement") with Qingdao CRRC Electric Equipment Co., Ltd. ("Qingdao Electric Company", together with its subsidiaries and each of their respective associates, the "Qingdao Electric Group"), pursuant to which, the Company agreed to supply and procure its subsidiaries (excluding the Qingdao Electric Group) to supply to the Qingdao Electric Group certain products (including electrical systems and electrical components), parts and components, technical services, after-sale services, management services and other related services, and related facilities for research and development, production and testing purposes; and Qingdao Electric Company agreed to supply and procure its subsidiaries and their respective associates to supply to the Group certain products, parts and components, technical services, after-sale services, management services and other related services, and related facilities for research and development, production and testing purposes. The agreement shall be valid for a term of three years commencing from 1 January 2023 and ending on 31 December 2025.

As at the date of the agreement, CRRC ZELRI is a controlling shareholder of the Company. CRRC directly holds the entire equity interest in CRRC ZELRI and 97.81% equity interest in CRRC Qingdao Sifang Locomotive & Rolling Stock Co., Ltd. ("CRRC Sifang"). CRRC Sifang is thus an associate of CRRC ZELRI and a connected person of the Company under the Hong Kong Listing Rules. Accordingly, Qingdao Electric Company is a connected subsidiary of the Company and the transactions contemplated under the 2023-2025 Qingdao Electric Mutual Supply Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

For the year ended 31 December 2025, under the 2023-2025 Qingdao Electric Mutual Supply Agreement, amount payable by the Group to Qingdao Electric Group for products and/or services provided by Qingdao Electric Group was RMB0.14 million, and the amount payable by Qingdao Electric Group to the Group for products and/or services provided by the Group was RMB27.04 million, neither of which exceeded the aggregate annual caps stipulated for the financial year ended 31 December 2025 under the 2023-2025 Qingdao Electric Mutual Supply Agreement.

For details, please refer to the announcements of the Company dated 28 December 2022 and 31 March 2023.

In light of the expiry of the 2023-2025 Qingdao Electric Mutual Supply Agreement on 31 December 2025, on 15 December 2025, the Company entered into the 2026-2028 Products and Ancillary Services Mutual Supply Agreement with Qingdao Electric Company, for a valid term of three years commencing from 1 January 2026 and ending on 31 December 2028. For details, please refer to the announcement of the Company dated 15 December 2025.

Mutual Supply Agreement with Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. (太原中車時代軌道工程機械有限公司)

On 13 December 2024, the Company entered into the 2025-2027 Products and Ancillary Services Mutual Supply Agreement (the “2025-2027 Taiyuan CRRC Times Mutual Supply Agreement”) with Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. (“Taiyuan CRRC Times”, together with its subsidiaries and each of their respective associates, the “Taiyuan CRRC Times Group”), pursuant to which, the Company agreed to supply and procure other members of the Group to supply to Taiyuan CRRC Times Group certain products (including electrical systems and electrical components), parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes; and Taiyuan CRRC Times agreed to supply and procure other members of the Taiyuan CRRC Times Group to supply to the Group certain products, parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes. The valid period is three years, from 1 January 2025 to 31 December 2027. For details, please refer to the announcement of the Company dated 13 December 2024.

As at the date of the agreement, CRRC ZELRI is a controlling shareholder of the Company. CRRC directly holds the entire equity interest in CRRC ZELRI and indirectly holds the entire equity interest in CRRC Taiyuan Co., Ltd. (“CRRC Taiyuan”). Baoji CRRC Times Engineering Machinery Co., Ltd. (“Baoji Times”), a subsidiary of the Company, and CRRC Taiyuan hold Taiyuan CRRC Times as to 55% and 45%, respectively. Taiyuan CRRC Times is a non-wholly owned subsidiary of the Company and therefore, a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the 2025-2027 Taiyuan CRRC Times Mutual Supply Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

For the year ended 31 December 2025, under the 2025-2027 Taiyuan CRRC Times Mutual Supply Agreement, amount payable by the Group to Taiyuan CRRC Times Group for products and/or services provided by Taiyuan CRRC Times Group was RMB23.25 million, and the amount payable by Taiyuan CRRC Times Group to the Group for products and/or services provided by the Group was RMB72.62 million, neither of which exceeded the aggregate annual caps stipulated for the financial year ended 31 December 2025 under the 2025-2027 Taiyuan CRRC Times Mutual Supply Agreement.



Significant Events

Financial Services Framework Agreement with CRRC Finance Company

On 30 October 2024, the Company entered into the 2024-2027 financial services framework agreement (the “2024-2027 Financial Services Framework Agreement”) with CRRC Finance Co., Ltd. (“CRRC Finance Company”), which would supersede the 2024-2025 Financial Services Framework Agreement upon approval at the general meeting of the Company for a valid term of three years, pursuant to which, CRRC Finance Company agreed to provide deposit services, credit services, settlement services and other financial services for the Group. The Company has obtained approval from the independent shareholders at the 2024 first extraordinary general meeting held on 13 December 2024.

As at the date of the 2024-2027 Financial Services Framework Agreement, CRRC Finance Company is held as to approximately 91.36% and approximately 8.64% by CRRC and CRRC Group, and hence is a connected person of the Company under the SEHK Listing Rules. Accordingly, the transactions contemplated thereunder constitute continuing connected transactions of the Company.

For the year ended 31 December 2025, the daily maximum deposit balance available to the Group from CRRC Finance Company under the Financial Services Framework Agreement was RMB1,978.34 million, which did not exceed the daily maximum amount of the continuing connected transactions for the corresponding period stipulated under the Financial Services Framework Agreement. For the year ended 31 December 2025, the Group did not accept other financial services that may be provided by CRRC Finance Company under the Financial Services Framework Agreement.

For details, please refer to the announcements of the Company dated 30 October 2024 and 13 December 2024.

Annual Review of Continuing Connected Transactions

The Board has engaged the auditor of the Company to perform certain procedures in respect of the continuing connected transactions of the Group. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions to the Board in accordance with the Rule 14A.56 of the SEHK Listing Rules.

The Directors (including independent non-executive Directors) have reviewed and confirmed that the continuing connected transactions of the Group comply with the agreed procedures and principles and the Group's continuing connected transactions above: were entered into in the ordinary and usual course of business of the Group; were entered into on normal commercial terms or if there were not sufficient comparable transactions to judge whether they were on normal commercial terms, on terms no less favourable to the Group than those available to or from (as the case may be) independent third parties; were conducted in accordance with the agreements governing such transactions, and the terms are fair, reasonable and in the interests of the Company and the Shareholders as a whole; and did not exceed the caps of continuing connected transactions for the financial year ended 31 December 2025 provided for by the continuing connected transactions agreements above.

Related party transactions

For details of the related party transactions of the Group during the year, please refer to note XIV of the financial report. The Company has complied with the requirements under Chapter 14A of the Hong Kong Listing Rules in respect of applicable requirements of transactions which constitute non-exempt connected transactions/continuing connected transactions. Other related party transactions do not constitute connected transactions/continuing connected transactions, or constitute connected transactions/continuing connected transactions but are exempt from all the disclosure or independent shareholders' approval requirements under the Hong Kong Listing Rules.

(II) Related party transactions relating to routine operations (disclosure pursuant to the SSE STAR Market Listing Rules)

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

✓Applicable ☐Not applicable

Description	Enquiry index
The Resolution on the Entering into of the 2023-2025 Product and Supporting Service Mutual Supply Agreement between the Company and CRRC Group Co., Ltd. and the Estimated Amount of the Routine Related Party Transactions for 2023-2025 was considered and approved at the 20th meeting of the sixth session of the Board, the 18th meeting of the sixth session of the Supervisory Committee and the 2021 annual general meeting.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 30 March 2022 (Ann No. 2022-015).



Significant Events

Description	Enquiry index
The Resolution on the Estimated Amount of Routine Related Party Transactions for 2024-2026 was considered and approved at the 27th meeting of the sixth session of the Board, the 24th meeting of the sixth session of the Supervisory Committee and the 2022 annual general meeting.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 31 March 2023 (Ann No. 2023-014).
The Resolution on the Estimated Amount of the Routine Related Party Transactions of the 2025-2027 Property and Ancillary Equipment and Facilities Leasing entered into between the Company and CRRC Corporation Limited was considered and approved at the 6th meeting of the seventh session of the Board, the 5th meeting of the seventh session of the Supervisory Committee and the 2023 annual general meeting of the Company.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 29 March 2024 (Ann No. 2024-012).
The Resolution on 2024-2025 Financial Services Framework Agreement and the Estimated Amount of Routine Related Party Transactions Entered into Between the Company and CRRC Finance Co., Ltd. was considered and approved at the 10th meeting of the seventh session of the Board and the 7th meeting of the seventh session of the Supervisory Committee.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 24 August 2024 (Ann No. 2024-036).
The Resolution on 2024-2027 Financial Services Framework Agreement and the Estimated Amount of Routine Related Party Transactions Entered into Between the Company and CRRC Finance Co., Ltd. was considered and approved at the 13th meeting of the seventh session of the Board, the 9th meeting of the seventh session of the Supervisory Committee and the 2024 first extraordinary general meeting of the Company.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 31 October 2024 (Ann No. 2024-050).
The Resolution on 2026-2028 Product and Supporting Service Mutual Supply Framework Agreement and the Estimated Amount of Routine Related Party Transactions for 2026-2028 Entered into Between the Company and CRRC Group Co., Ltd. was considered and approved at the 21st meeting of the seventh session of the Board, the 12th meeting of the audit committee under the seventh session of the Board and the 2025 first extraordinary general meeting of the Company.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 31 October 2025 (Ann No. 2025-038).

Significant Events

Property and Ancillary Equipment and Facilities Leasing Framework Agreement with CRRC

Unit: Million Currency: RMB

Related party	Relationship	Content	Pricing principles	Amount	Annual cap for 2025	Percentage in similar business
CRRC Corporation Group (CRRC and its subsidiaries and their respective associates, excluding the Group)	Indirect controlling shareholder of the Company	Lease property and equipment and facilities out to related parties	Market price	29.82	60	89.12%
CRRC Corporation Group	Indirect controlling shareholder of the Company	Lease property and equipment and facilities in from related parties	Market price	13.18	65	10.63%

Product and Supporting Service Mutual Supply Framework Agreement between the Company and CRRC Group

Unit: Million Currency: RMB

Related party	Relationship	Content	Pricing principles	Amount	Annual cap for 2025	Percentage in similar business
CRRC Group of Companies (CRRC Group and its subsidiaries and their respective associates, excluding the Group)	Indirect controlling shareholder of the Company	Sale of products and/or rendering of services to related parties	Tendering and bidding price, market price, agreed price	10,798.86	16,500	37.62%
CRRC Group of Companies	Indirect controlling shareholder of the Company	Purchases of products and/or acceptance of services from related parties	Tendering and bidding price, market price, agreed price	1,894.20	6,000	10.60%



Significant Events

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

☐ Applicable ☒ Not applicable

3. Events not disclosed in the temporary announcements

☐ Applicable ☒ Not applicable

(III) Related party transactions arising from acquisition and disposal of assets or equity interests

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

☐ Applicable ☒ Not applicable

2. Events disclosed in temporary announcements and with progress or change in subsequent implementation

☐ Applicable ☒ Not applicable

3. Events not disclosed in the temporary announcements

☐ Applicable ☒ Not applicable

4. Where an agreement on performance is involved, the performance achievements during the reporting period shall be disclosed

☐ Applicable ☒ Not applicable

(IV) Significant related party transactions on the joint external investment

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ☒ Not applicable

Significant Events

(V) Claims and liabilities between related parties

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ☒ Not applicable

(VI) Financial business between the Company and related financial companies, holding financial companies and related parties

☒ Applicable ☐ Not applicable

1. Deposit business

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related party	Relationship	Maximum daily deposit amount	Interest rate range	Opening balance	Total deposit during the current period	Amount incurred during the current period		Closing balance
						Total interest accrued during the current period	Total withdrawal during the current period	
CRRC Finance Co., Ltd.	A subsidiary of CRRC	2,000,000,000	1.35%~2.10%	1,976,443,020	142,545,093	47,510,966	206,441,743	1,960,057,336
Total	/	/	/	1,976,443,020	142,545,093	47,510,966	206,441,743	1,960,057,336

2. Loan business

☐ Applicable ☒ Not applicable

3. Credit facilities or other financial business

☐ Applicable ☒ Not applicable

4. Other explanations

☐ Applicable ☒ Not applicable



Significant Events

(VII) Others

✓Applicable ☐Not applicable

1. The Related Party Transactions in relation to the Ordinary Operations

Products and Ancillary Services Mutual Supply Framework Agreement between the Company and Zhuzhou Shiling Transportation Equipment Co., Ltd. (株洲時菱交通設備有限公司)

Unit: RMB0'000 Currency: RMB

Related party	Relationship	Content of related party transaction	Amount of related party transaction	Cap of related party transaction in 2025
Zhuzhou Shiling Transportation Equipment Co., Ltd.	A company in which Directors, Supervisors or senior management members of the Company hold position	Sale of products and/or rendering of services to the related party	–	1,000
Zhuzhou Shiling Transportation Equipment Co., Ltd.	A company in which Directors, Supervisors or senior management members of the Company hold position	Purchase of products and/or acceptance of services from the related party	164.62	1,000

Description of the related party transaction: the above transaction resulted from the implementation during the reporting period of the framework agreement on mutual supply of products and ancillary services ("2024-2026 Shiling Mutual Supply Framework Agreement") entered into between the Company and Zhuzhou Shiling Transportation Equipment Co., Ltd. ("Shiling Company") on 27 November 2023. The agreement is valid from 1 January 2024 to 31 December 2026. The transaction and the total amount involved were approved by the independent shareholders of the Company, for which an announcement has been issued.

As at the date of the agreement, as Shiling Company was not a connected person of the Company as defined under the Hong Kong Listing Rules, the transactions contemplated under the 2024-2026 Shiling Mutual Supply Framework Agreement thus did not constitute connected transactions or continuing connected transactions of the Company under the Hong Kong Listing Rules. However, pursuant to the requirements of the SSE STAR Market Listing Rules, Shiling Company is a related party of the Company. Therefore, the transactions contemplated under the 2024-2026 Shiling Mutual Supply Framework Agreement constitute related party transactions of the Company under the SSE STAR Market Listing Rules and are subject to consideration at the general meeting of the Company.

For details, please refer to the general meeting materials of the Company dated 2 June 2023 and the announcement of the Company dated 28 June 2023.

Significant Events

Unit: RMB0'000 Currency: RMB

Related party	Relationship	Content of related party transactions	Amount of related party transactions	Cap of related party transactions in 2025
Siemens Traction Equipment Ltd., Zhuzhou (株洲西門子牽引設備有限公司)		Sale of products and rendering of services to related parties	–	50
Wuxi Times Intelligent Transportation Research Institute Co., Ltd. (無錫時代智能交通研究院有限公司)			486.73	20,000
Foshan Zhongshi Intelligent Transportation Technology Co., Ltd. (佛山中時智匯交通科技有限公司)			16.42	69,120
Siemens Traction Equipment Ltd., Zhuzhou (株洲西門子牽引設備有限公司)	Company in which Directors, Supervisors or senior management members of the Company hold position	Purchases of products and acceptance of services from related parties	–	50
Wuxi Times Intelligent Transportation Research Institute Co., Ltd. (無錫時代智能交通研究院有限公司)			296.10	22,000
Foshan Zhongshi Intelligent Transportation Technology Co., Ltd. (佛山中時智匯交通科技有限公司)			274.00	76,800
Siemens Traction Equipment Ltd., Zhuzhou (株洲西門子牽引設備有限公司)		Lease out premises/ equipment to related parties	–	60

Description of the related party transaction: The above is the performance of the 2024-2026 related party transactions in routine business operation between the Company and related parties during the reporting period. The transaction and the total amount involved were approved by the independent shareholders of the Company, for which an announcement has been issued. In particular, Mr. Yan Changqi, former deputy general manager of the Company, resigned from such position on 28 March 2024. Pursuant to the Rules Governing the Listing of Stocks on the Sci-Tech Innovation Board of the SSE, Siemens Traction Equipment Ltd., Zhuzhou, where he served as a director, has ceased to be an A-share related party of the Company 12 months after such date.



Significant Events

As at the dates of the agreements, Siemens Traction Equipment Ltd., Zhuzhou and Foshan Zhongshi Intelligent Transportation Technology Co., Ltd. were associates of CRRC and CRRC Group and hence were connected persons of the Company. Therefore, the routine related party transactions between the Company and each of Siemens Traction Equipment Ltd., Zhuzhou and Foshan Zhongshi Intelligent Transportation Technology Co., Ltd. constitute continuing connected transactions under the Hong Kong Listing Rules. For the year ended 31 December 2025, none of the above transactions exceeded the aggregate annual caps approved for the financial year ended 31 December 2025. The Company's routine related party transactions with Siemens Traction Equipment Ltd., Zhuzhou and Foshan Zhongshi Intelligent Transportation Technology Co., Ltd. in relation to the purchase and sale of goods and the receipt and provision of services are covered by, among others, the 2023-2025 CRRC Group Mutual Supply Agreement entered into between the Company and CRRC Group on 29 March 2022. The 2023-2025 CRRC Group Mutual Supply Agreement and its annual transaction caps for the years 2023 to 2025 have complied with the relevant provisions of Chapter 14A of the Hong Kong Listing Rules and were approved by the shareholders of the Company on 17 June 2022. For details, please refer to the Company's announcement dated 29 March 2022 and circular dated 17 May 2022, as well as the relevant contents under the section "XII. Connected Transactions and Material Related Party Transactions – (I) Non-exempt continuing connected transactions (disclosure pursuant to the SEHK Listing Rules)" in "Significant Events" of this report.

For details, please refer to the Company's general meeting materials dated 2 June 2023 and the announcement dated 28 June 2023.

2. *Non-exempted Continuing Connected Transactions*

Product and Supporting Service Mutual Supply Framework Agreements between the Company and Qingdao CRRC Electric Equipment Co., Ltd. (青島中車電氣設備有限公司)

Unit: Million Currency: RMB

Connected person	Relationship	Content of connected transaction	Amount of connected transaction	Cap of connected transactions in 2025
Qingdao Electric Group	Connected subsidiary of the Company	Sale of products and/or rendering of supporting services to connected persons	27.04	60
Qingdao Electric Group	Connected subsidiary of the Company	Purchase of products and/or acceptance of supporting services from connected persons	0.14	90

Description of the connected transaction: Set out above are details of the performance of the Product and Supporting Service Mutual Supply Framework Agreement entered into between the Company and Qingdao CRRC Electric Equipment Co., Ltd. (together with its subsidiaries and each of their respective associates, the "Qingdao Electric Group") on 28 December 2022 (the "2023-2025 Mutual Supply Framework Agreement") during the reporting period. The agreement was valid from 1 January 2023 to 31 December 2025. The transaction and the total transaction amount proposed were within the decision-making authority of the Board and were considered and approved by the Board, and an announcement has been published in this respect. Meanwhile, the transaction satisfied the partial waiver level under the SEHK Listing Rules and was exempted from independent shareholders' approval requirements.

For details, please refer to the Company's announcement dated 28 December 2022.

Significant Events

Product and Supporting Service Mutual Supply Framework Agreement between the Company and Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. (太原中車時代軌道工程機械有限公司)

Unit: Million Currency: RMB

Connected person	Relationship	Content of connected transaction	Amount of connected transaction	Cap of connected transaction in 2025
Taiyuan CRRC Times Group	A connected subsidiary of the Company	Sale of products and/or rendering of supporting services to connected persons	72.62	180
Taiyuan CRRC Times Group	A connected subsidiary of the Company	Purchases of products and/or acceptance of supporting services from connected persons	23.25	150

Description of the connected transaction: Set out above are details of the performance of the Product and Supporting Service Mutual Supply Framework Agreement entered into between the Company and Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. (together with its subsidiaries and each of their respective associates, the “Taiyuan CRRC Times Group”) on 13 December 2024 (the “2025-2027 Mutual Supply Framework Agreement”) during the reporting period. The agreement is valid from 1 January 2025 to 31 December 2027. The transaction and the total transaction amount proposed were within the decision-making authority of the Board and were considered and approved by the Board, and an announcement has been published in this respect. Meanwhile, the transaction satisfied the partial waiver level under the SEHK Listing Rules and was exempted from independent shareholders’ approval requirements.

For details, please refer to the Company’s announcement dated 13 December 2024.

XIII. MAJOR CONTRACTS AND THEIR PERFORMANCE

(I) Entrustment, contracting and leasing matters

1. Entrustment

☐ Applicable ☒ Not applicable

2. Contracting

☐ Applicable ☒ Not applicable

3. Leasing

☐ Applicable ☒ Not applicable



Significant Events

(II) Guarantees

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Guarantor	Relationship between the guarantor and the Company	External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)					Whether guarantee has been fully fulfilled	Whether guarantee is overdue	Overdue amount	Counter-guarantee	Whether related party guarantee	Related party relationship
		Guaranteed amount	Date of guarantee (date of agreement)	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee						

Total guarantee incurred during the reporting period (excluding those provided to subsidiaries)

Total balance of guarantee as at the end of the reporting period (A) (excluding those provided to subsidiaries)

Significant Events



Guarantees provided by the Company and its subsidiaries to subsidiaries												
Guarantor	Relationship between the guarantor and the Company	Guaranteed party	Relationship between the guaranteed party and the Company	Guaranteed amount	Date of guarantee (date of agreement)	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Whether guarantee has been fully fulfilled	Whether guarantee is overdue	Overdue amount	Whether there is any counter-guarantee
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	A wholly-owned subsidiary of the Company	235,865,000.00	2025/10/12	2025/10/12	2026/10/12	Joint obligation guarantee	No	No	Not Applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	A wholly-owned subsidiary of the Company	20,054,745.07	2025/7/28	2025/7/28	2026/4/6	Joint obligation guarantee	No	No	Not Applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	A wholly-owned subsidiary of the Company	36,983,632.00	2025/7/28	2025/7/28	2027/7/7	Joint obligation guarantee	No	No	Not Applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	A wholly-owned subsidiary of the Company	14,151,900.00	2025/7/25	2025/7/25	2027/7/7	Joint obligation guarantee	No	No	Not Applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	A wholly-owned subsidiary of the Company	36,983,632.00	2025/8/28	2025/8/28	2027/7/7	Joint obligation guarantee	No	No	Not Applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	A wholly-owned subsidiary of the Company	14,151,900.00	2025/8/28	2025/8/28	2027/7/7	Joint obligation guarantee	No	No	Not Applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	A wholly-owned subsidiary of the Company	20,054,745.07	2025/11/12	2025/11/12	2026/4/6	Joint obligation guarantee	No	No	Not Applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Specialist Machine Developments (Shanghai) Co., Ltd.	A wholly-owned subsidiary of the Company	31,152,000.00	2024/4/25	2024/4/25	2025/6/13	Joint obligation guarantee	Yes	No	Not Applicable	No
Aggregate guarantee of the Company (including those provided to subsidiaries)												
Total guarantee to subsidiaries incurred during the reporting period												
Total balance of guarantee to subsidiaries as at the end of the reporting period (B)												
Aggregate guarantee (A+B)												
Percentage of aggregate guarantee to net assets of the Company (%)												
Representing:												
Amount of guarantee provided for shareholders, actual controller and related parties (C)												
Amount of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)												
Excess amount of aggregate guarantee over 50% of net assets (E)												
Aggregate amount of the above three categories (C+D+E)												
Description of the contingent joint and several repayment liability in connection with unexpired guarantee												
Description of guarantee												
Not Applicable												
/												



Significant Events

(III) Management of cash assets by entrusting third parties

1. *Entrusted wealth management activities*

(1) *Overview of the entrusted wealth management activities*

☐ Applicable ☒ Not Applicable

Others

☐ Applicable ☒ Not Applicable

(2) *Individual entrusted wealth management activities*

☐ Applicable ☒ Not Applicable

Others

☐ Applicable ☒ Not Applicable

(3) *Provision for impairment of entrusted wealth management*

☐ Applicable ☒ Not Applicable

2. **Entrusted loans**

(1) *Overview of the entrusted loans*

☐ Applicable ☒ Not Applicable

Others

☐ Applicable ☒ Not Applicable

(2) *One-off entrusted loans*

☐ Applicable ☒ Not Applicable

Others

☐ Applicable ☒ Not Applicable

(3) *Provision for impairment of entrusted loans*

☐ Applicable ☒ Not Applicable

3. **Others**

☐ Applicable ☒ Not Applicable

(IV) **Other material contracts**

☐ Applicable ☒ Not Applicable



Significant Events

XIV. EXPLANATION ON PROGRESS IN USE OF PROCEEDS

(I) Overall utilisation of raised proceeds

✓Applicable ☐Not applicable

Unit: Yuan

Source of proceeds	Date of receiving the proceeds	Total proceeds	Net proceeds	(1)	(2)	Total promised investment amounts of proceeds stated in the prospectus or offering memorandum	Total surplus proceeds (3)=(1)-(2)	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 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 year (8)	Percentage of investment amount for the year (%) (9)=(8)/(1)	Total proceeds with change in purposes
Initial public issue on the STAR Market	1 September 2021	7,555,057,430	7,443,212,046	7,443,212,046	7,443,212,046	7,443,212,046	0	7,590,799,306	0	101.98	Not applicable	1,524,198,069	20.48	Not applicable
Total	/	7,555,057,430	7,443,212,046	7,443,212,046	7,443,212,046	7,443,212,046	0	7,590,799,306	0	101.98	Not applicable	1,524,198,069	20.48	Not applicable

Other explanation

☐Applicable ✓Not applicable

(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 the end of the reporting period (2)	Progress of accumulated 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 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	396,302,431	2,200,114,990	104.99	2026	Yes	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	1,070,800,000	307,728,226	1,152,526,756	107.63	2026	Yes	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	181,023,307	797,075,379	91.69	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	152,327,015	842,478,829	105.31	2025	Yes	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	486,817,091	917,242,766	98.52	2025	Yes	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	-	1,681,360,586	100.28	Not applicable	Yes	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Total	/	/	/	/	7,443,212,046	1,524,198,069	7,590,799,306	101.98	/	/	/	/	/	/	/	/



Significant Events

2. Breakdown of use of surplus proceeds

☐ Applicable ☒ Not applicable

(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 consideration by the Board	Amount of proceeds used for cash management effectively considered	Start date	Ending date	Balance under cash management as of the end of the reporting period	Whether the maximum amount during the period exceeded the authorised limit
22 August 2025	100,000	22 August 2025	21 August 2026	6,000	No

Significant Events

Other Explanations

On 22 August 2025, the Company convened the 20th meeting of the seventh session of the Board, which considered and approved the Proposal on Using Some Idle Raised Funds for Cash Management. The Company agreed to use no more than RMB1,000,000,000 (inclusive) of temporarily idle raised funds for cash management, provided that the progress of the investment projects funded by the raised funds and the normal operation of the Company are not affected and fund security is ensured. The term of use shall be valid for 12 months from the date of approval by the Board. As of 31 December 2025, the balance of cash management products purchased by the Company using idle raised funds was RMB60,000,000. The specific cash management products 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	13 October 2022	19 February 2025	2.99%	3,525,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	13 October 2022	19 February 2025	2.99%	3,525,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	13 October 2022	29 April 2025	3.00%	3,816,666.66	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	13 October 2022	13 June 2025	3.00%	4,000,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	13 October 2022	13 June 2025	3.00%	4,000,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	13 October 2022	13 June 2025	3.00%	4,000,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	10,000,000	13 October 2022	13 June 2025	3.00%	800,000.00	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	30 July 2024	30 January 2025	1.79%	450,000.00	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	100,000,000	30 July 2024	30 January 2025	1.88%	950,000.00	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Certificate of deposit	440,000,000	24 September 2024	24 March 2025	1.62%	3,524,888.89	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	20,000,000	12 October 2024	12 January 2025	1.62%	81,777.78	Yes
China Construction Bank Zhuzhou Tianxin Branch	Structured deposit	200,000,000	6 November 2024	6 February 2025	0.99%	499,068.49	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	24,000,000	25 November 2024	24 February 2025	3.37%	201,646.03	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	26,000,000	25 November 2024	24 February 2025	1.29%	83,620.28	Yes



Significant Events

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
China Merchants Bank Zhuzhou Branch	Structured deposit	30,000,000	1 November 2024	27 January 2025	1.95%	139,438.36	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	30,000,000	26 December 2024	31 March 2025	2.00%	156,164.38	Yes
China Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	100,000,000	27 February 2025	12 June 2025	1.45%	417,123.29	Yes
China Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	30,000,000	27 February 2025	13 June 2025	1.35%	117,616.44	Yes
China Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	50,000,000	27 February 2025	27 May 2025	1.15%	140,205.48	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	30,000,000	25 February 2025	25 May 2025	1.38%	101,250.00	Yes
China Merchants Bank Zhuzhou Branch	Term deposit	30,000,000	20 February 2025	20 May 2025	1.33%	97,500.00	Yes
China Merchants Bank Zhuzhou Branch	Term deposit	30,000,000	20 February 2025	20 May 2025	1.33%	97,500.00	Yes
China Merchants Bank Zhuzhou Branch	Term deposit	20,000,000	21 February 2025	21 May 2025	1.33%	65,000.00	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Term deposit	25,000,000	27 March 2025	27 June 2025	1.29%	81,354.17	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Certificate of deposit	440,000,000	28 March 2025	28 June 2025	1.14%	1,266,222.22	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Term deposit	25,000,000	3 April 2025	3 July 2025	1.31%	81,423.61	Yes
China Merchants Bank Zhuzhou Branch	Term deposit	15,000,000	23 April 2025	23 July 2025	1.30%	48,750.00	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	10,000,000	20 May 2025	20 August 2025	1.34%	33,750.00	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	10,000,000	29 May 2025	13 June 2025	0.05%	208.33	Yes

Significant Events

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
China Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	20,000,000	27 February 2025	13 June 2025	0.05%	2,904.11	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	160,000,000	24 June 2025	24 July 2025	1.12%	146,666.67	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	10,000,000	25 June 2025	25 July 2025	1.12%	9,166.67	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	10,000,000	25 June 2025	25 July 2025	1.12%	9,166.67	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	15,000,000	25 June 2025	25 July 2025	1.12%	13,750.00	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Certificate of deposit	440,000,000	30 June 2025	30 July 2025	0.91%	330,000.00	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	30,000,000	30 June 2025	30 July 2025	1.12%	27,500.00	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	30,000,000	25 August 2025	25 November 2025	1.09%	82,500.00	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	10,000,000	25 August 2025	25 November 2025	1.09%	27,500.00	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	15,000,000	25 August 2025	25 November 2025	1.09%	41,250.00	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Certificate of deposit	150,000,000	25 August 2025	25 November 2025	0.89%	337,916.67	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	40,000,000	25 August 2025	25 November 2025	1.09%	110,000.00	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Call deposit	100,000,000	28 November 2025	26 December 2025	0.66%	50,555.56	Yes
China Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	60,000,000	28 November 2025	28 February 2026	Expected to be 0.90%	Undue	No



Significant Events

4. Others

☐ Applicable ☒ Not applicable

(V) Conclusive Opinions of the Intermediaries on the Special Review and Assurance Regarding the Depository and Utilization of the Raised Funds

☒ Applicable ☐ Not applicable

1. Conclusive Opinions in the Assurance Report issued by the accounting firm on the Company's annual deposit, administration and actual use of proceeds raised

Based on its assurance procedures, KPMG HUAZHEN LLP holds that the Special Report on the Deposit, Administration and Actual Use of Raised Funds for the Year 2025, prepared by the Company's management, has been prepared in all material respects in accordance with the Requirements of the Regulations on the Supervision of Raised Funds of Listed Companies (CSRC Announcement [2025] No. 10) issued by the China Securities Regulatory Commission, the Self-Regulatory Guidelines for Listed Companies on the Science and Technology Innovation Board of the SSE No. 1 – Standard Operation and relevant format guidelines issued by the SSE, and fairly presents in all material respects the deposit, administration and actual use of the Company's raised funds for the year 2025.

2. Conclusive Opinions of the Sponsor in the Special Verification Report on the Annual Deposit, Administration and Actual Use of the Company's Raised Funds

Upon verification, the Sponsor is of the opinion that the deposit, administration and use of the Company's raised funds for 2025 comply with the requirements of laws, regulations and regulatory documents including the Regulations on the Supervision of Raised Funds of Listed Companies, the Listing Rules of SSE Science and Technology Innovation Board, the Self-Regulatory Guidelines for Listed Companies on the Science and Technology Innovation Board of SSE No. 1 – Standard Operation, as well as the Company's A-share Raised Funds Management System. The Company has deposited and used the raised funds in special accounts and fulfilled its information disclosure obligations in a timely manner. The actual use of raised funds is consistent with the information disclosed by the Company. There are no circumstances in which the intended use of raised funds has been changed in a disguised manner, impairing the interests of shareholders, nor any irregular use of raised funds.

Explanation of relevant circumstances regarding irregularities uncovered

☐ Applicable ☒ Not applicable

(VI) Follow-up Rectification Status of Unauthorized Changes to the Use of Raised Funds and Illegal Occupation of Raised Funds

☐ Applicable ☒ Not applicable

XV. EXPLANATION ON OTHER MAJOR EVENTS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS

☐ Applicable ☒ Not applicable

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	Percentage (%)	New shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	Number	Percentage (%)
I. Shares subject to trading moratorium	589,585,699	41.91	-	-	-	-589,585,699	-589,585,699	-	-
1. State-owned shares	-	-	-	-	-	-	-	-	-
2. State-owned legal person shares	589,585,699	41.91	-	-	-	-589,585,699	-589,585,699	-	-
3. Other domestic shares	-	-	-	-	-	-	-	-	-
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	-	-	-	540,881,299	540,881,299	1,357,948,412	100.00
1. RMB ordinary shares	279,321,813	19.86	-	-	-	589,585,699	589,585,699	868,907,512	63.99
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

In 2025, the Company repurchased its H Shares on the Hong Kong Stock Exchange through multiple transactions, and cancelled 37,313,100 and 11,391,300 repurchased H Shares on 26 February and 19 June, respectively. Accordingly, as at 31 December 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.

On 8 September 2025, 589,585,699 restricted shares issued by the Company in public issue were released into the market. For details, please refer to the Announcement on Release of Restricted Shares Issued by Zhuzhou CRRC Times Electric Co., Ltd. in Initial Public Issue published on the website of the SSE (www.sse.com.cn) on 30 August 2025 (Ann No. 2025-034).



Changes in Shares and Particulars of Shareholders

3. The impact of changes in shares on financial indicators such as earnings per share, net asset per share for the latest year and the latest period (if any)

☒ Applicable ☐ Not Applicable

During the reporting period, the Company cancelled 48,704,400 repurchased shares, accounting for 3.59% of the total share capital of the Company as at the end of the reporting period, which has effectively improved the Company's net asset value per share and earnings per share, and is conducive to delivering favorable value returns to all shareholders, thus in the interests of the Company and its shareholders as a whole.

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

☐ Applicable ☒ Not Applicable

(II) Changes in Shares Subject to Trading Moratorium

☒ Applicable ☐ Not Applicable

Unit: Share

Name of Shareholders	Number of shares subject to trading moratorium at the beginning of the year	Number of shares released from trading moratorium for the year	Number of new shares subject to trading moratorium for the year	Number of shares subject to trading moratorium at the end of the year	Reason for the trading moratorium	Date of release from trading moratorium
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	589,585,699	589,585,699	-	-	Voluntary extension of the lock-up period	8 September 2025
Total	<u>589,585,699</u>	<u>589,585,699</u>	<u>-</u>	<u>-</u>	/	/

II. SECURITIES ISSUE AND LISTING

(I) Issue of Securities during the Reporting Period

☐ Applicable ☒ Not Applicable

Explanation on securities issue during the reporting period (for bonds with different interest rates during the duration, please specify separately):

☐ Applicable ☒ Not Applicable

Changes in Shares and Particulars of Shareholders



(II) Changes in the Total Number of Shares and Shareholders Structure of the Company and Changes in the Company's Assets and Liabilities Structure

☒ Applicable ☐ Not Applicable

In 2025, the Company repurchased its H Shares on the Hong Kong Stock Exchange through multiple transactions, and cancelled 37,313,100 and 11,391,300 repurchased H Shares on 26 February and 19 June. Accordingly, as of 31 December 2025, the issued share capital of the Company was 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.

As at the beginning of the reporting period, the Company had total assets of RMB64,802.25 million, total liabilities of RMB20,039.83 million and gearing ratio of 30.92%. As at the end of the reporting period, the Company had total assets of RMB72,084.24 million, total liabilities of RMB26,159.45 million and gearing ratio of 36.29%.

III. SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Total Number of Shareholders

Total number of ordinary Shareholders as at the end of the reporting period (account)	19,613
Total number of ordinary Shareholders at the end of the previous month before the disclosure date of annual report (account)	18,934
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 of preference shares with restored voting rights as at the end of the previous month before the disclosure date of the annual report (account)	Not applicable
Total number of Shareholders holding shares with special 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 previous month before the disclosure date of the annual report (account)	Not applicable

Note: As at the end of the reporting period, the Company had 18,596 A Shareholders and 1,017 registered H Shareholders; and as at the end of the previous month before the disclosure date of the annual report, the Company had 17,926 A Shareholders and 1,008 registered H Shareholders.

Number of depositary receipt holders

☐ Applicable ☒ Not Applicable



Changes in Shares and Particulars of Shareholders

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

Unit: Share

Particulars of shareholdings of the top ten Shareholders (Number of shares excluding lending shares for securities financing)							
Name of Shareholders (full name)	Change 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	Shares pledged, marked or frozen	Status 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	–	None	–	State-owned legal person
HKSCC NOMINEES LIMITED	-48,678,000	487,745,666	35.92	–	Unknown	–	Overseas legal person
National Social Security Fund Portfolio 113 (全國社保基金一一三組合)	17,269,017	17,269,017	1.27	–	None	–	Unknown
Basic Pension Fund Portfolio 802 (基本養老保險基金八零二組合)	14,490,274	14,490,274	1.07	–	None	–	Unknown
Hong Kong Securities Clearing Company Limited	-12,619,471	12,393,130	0.91	–	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)	-7,551,069	10,159,720	0.75	–	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	–	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	–	None	–	State-owned legal person
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)	-1,404,776	9,505,228	0.70	–	None	–	Unknown
Zhang Zhen	5,610,291	5,610,291	0.41	–	None	–	Domestic natural person

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
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	600,381,485	RMB ordinary shares	600,381,485
HKSCC NOMINEES LIMITED (Note 1)	487,745,666	Overseas listed foreign shares	487,745,666
National Social Security Fund Portfolio 113 (全國社保基金一一三組合)	17,269,017	RMB ordinary shares	17,269,017
Basic Pension Fund Portfolio 802 (基本養老保險基金八零二組合)	14,490,274	RMB ordinary shares	14,490,274
Hong Kong Securities Clearing Company Limited	12,393,130	RMB ordinary shares	12,393,130
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)	10,159,720	RMB ordinary shares	10,159,720
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
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)	9,505,228	RMB ordinary shares	9,505,228
Zhang Zhen (Note 2)	5,610,291	RMB ordinary shares	5,610,291



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	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. Save as aforementioned, the Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.		
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.

Note 2: Zhang Zhen holds 4,540,000 A Shares through a credit securities account.

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

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

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/Depository Receipts

☐Applicable ☒Not Applicable



Changes in Shares and Particulars of Shareholders

(V) Strategic Placement of Initial Public Issue

1. Particulars of shareholding of senior management and core employees by setting up a special asset management plan to participate in the strategic placement of initial public issue

✓Applicable ☐Not Applicable

Unit: Share

Name of Shareholder/holder	Number of shares/ depositary receipts allocated	Time available for listing and trading	Changes of number during the reporting period	Number of holdings of shares/ depositary receipts including lending shares for securities financing at the end of the period
CICC – Agricultural Bank of China – CICC Times Electric No. 1 Collective Asset Management Plan for Employees’ Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣1號員工參與科创板戰略配售集合資產管理計劃)	4,598,422.00	7 September 2022	-24,841	72,427
CICC – Agricultural Bank of China – CICC Times Electric No. 2 Collective Asset Management Plan for Employees’ Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣2號員工參與科创板戰略配售集合資產管理計劃)	3,306,856.00	7 September 2022	-5,451	94,644
CICC – Agricultural Bank of China – CICC Times Electric No. 3 Collective Asset Management Plan for Employees’ Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣3號員工參與科创板戰略配售集合資產管理計劃)	4,609,837.00	7 September 2022	0	35,228
CICC – Agricultural Bank of China – CICC Times Electric No. 4 Collective Asset Management Plan for Employees’ Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣4號員工參與科创板戰略配售集合資產管理計劃)	3,199,553.00	7 September 2022	-31,555	74,658
CICC – Agricultural Bank of China – CICC Times Electric No. 6 Collective Asset Management Plan for Employees’ Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣6號員工參與科创板戰略配售集合資產管理計劃)	3,294,426.00	7 September 2022	-12,248	50,194
CICC – Agricultural Bank of China – CICC Times Electric No. 8 Collective Asset Management Plan for Employees’ Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣8號員工參與科创板戰略配售集合資產管理計劃)	3,122,437.00	7 September 2022	-16,533	64,391

2. Particulars of shareholding of relevant subsidiaries of sponsors participating in the strategic placement of initial public issue

☐Applicable ☒Not Applicable

Changes in Shares and Particulars of Shareholders



(VI) Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares of the Company

As at 31 December 2025, so far as is known to the Directors, the following persons (other than the Directors 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 of the Company	Approximate percentage of H Shares of the Company	Approximate percentage of total issued shares of the Company
CRRC ZELRI	A Shares	600,381,485 (Long position)	Beneficial owner	69.10%	–	44.21%
CRRC (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%
CRRC 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%
CRRC Hong Kong Capital Management Co., Limited	H Shares	65,460,000 (Long position)	Beneficial owner	–	13.39%	4.82%
JPMorgan Chase & Co.	H Shares	2,956,855 (Long position)	Beneficial owner	–	0.60%	0.22%
		1,980,985 (Short position)	Beneficial owner	–	0.41%	0.15%
		29,879,552 (Long position)	Investment manager	–	6.11%	2.20%
		24,950 (Short position)	Investment manager	–	0.01%	0.00%
		1,857,502 (Long position)	Secured equity holder	–	0.38%	0.14%
		9,017,851 (Long position)	Approved lending agent	–	1.84%	0.66%
Citigroup Inc.	H Shares	270,294 (Long position)	Interest in controlled entity	–	0.06%	0.02%
		95,240 (Short position)	Interest in controlled entity	–	0.02%	0.01%
		28,551,409 (Long position)	Approved lending agent	–	5.84%	2.10%
Norges Bank	H Shares	30,227,300 (Long position)	Beneficial owner	–	6.18%	2.23%
BlackRock, Inc.	H Shares	26,860,636 (Long position)	Interest in controlled entity	–	5.49%	1.98%
		781,000 Short position)	Interest in controlled entity	–	0.16%	0.06%



Changes in Shares and Particulars of Shareholders

Notes: As at 31 December 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 31 December 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.

Changes in Shares and Particulars of Shareholders



IV. CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

(I) Controlling Shareholder

1. Legal person

✓Applicable ☐ Not Applicable

Name	CRRC Zhuzhou Institute Co., Ltd.
Person-in-charge or legal representative	Li Donglin
Date of establishment	9 September 1992
Major business activities	Permitted items: manufacturing of railway transportation infrastructure equipment; Inspection and testing services; Certification services; Survey of construction projects; Construction engineering design; Construction works; Power generation business, power transmission business, power supply (distribution) business; Publication of periodicals. General projects (for projects subject to approval according to law law can be operated only after being approved by relevant departments, and the specific business projects are subject to the approval documents or licenses of the relevant departments): Sales of special equipment, key systems and components for rail transit; Development of rail transit operation management system; Research and development of machinery and equipment; Manufacturing of mechanical and electrical equipment; Sales of mechanical and electrical equipment; Repair of electrical equipment; Leasing of machinery and equipment; Industrial control computer and system manufacturing; Sales of industrial control computer and system; Intelligent control system integration; Manufacturing of electronic components; Sales of electronic products; Sales of electronic special equipment; Integrated circuit chips and products manufacturing; Sales of integrated circuit chips and products; Research and development of emerging energy technologies; Research and development of related systems of wind farms; Sales of wind farm related equipment; Sales of wind turbine generator sets and components; Technical services for wind power generation; Sales of intelligent transmission, distribution and control equipment; Research and development of motors and their control systems; Manufacturing of generator and generator set; Sales of generators and generator sets; Research and development of auto parts; Sales of battery swapping facilities for new energy vehicles; Sale of charging piles; Centralized fast charging stations; Operation of electric vehicle charging infrastructure; Energy storage technology services; Contract energy management; Battery manufacturing; Sales of batteries; Production of battery spare parts; Sales of battery spare parts; Engineering and technology research and experimental development; Engineering management services; Software development; Sales of software; Technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; Certification consultation; Digital technology services; Information technology consulting services; Business training (excluding education training, vocational skills training and other training requiring permits); Enterprise management consulting; Conference and exhibition services; Advertising production; Advertisement publication; Non-residential real estate leasing; Engaging in investment activities with its own funds; Import and export of goods; Technology import and export. (to independently carry out business activities defined in business license other than those subject to approval according to law)



Changes in Shares and Particulars of Shareholders

Equity in other domestic and overseas listed companies controlled and invested during the reporting period As of 31 December 2025, it held 31.41% equity interests in Zhuzhou Times New Material Technology Co., Ltd. (600458.SH).

Other explanations None

2. *Natural person*

☐Applicable ☒Not Applicable

3. *Special explanation for absence of the Company's controlling shareholder*

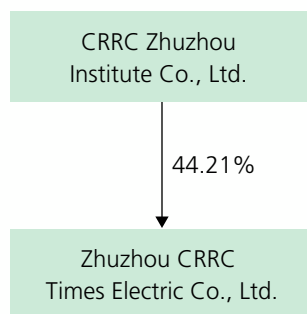
☐Applicable ☒Not Applicable

4. *Explanation on changes in controlling shareholder during the reporting period*

☐Applicable ☒Not Applicable

5. *Diagram of the property rights and control relationship between the Company and the controlling shareholder*

☒Applicable ☐Not Applicable



(II) *Actual Controller*

1. *Legal person*

☒Applicable ☐Not Applicable

Name SASAC of the State Council

The actual controller of the Company is SASAC of the State Council. As of 31 December 2025, SASAC of the State Council directly held the 100% equity interests of CRRC Group, which is the controlling shareholder of CRRC, which in turn indirectly held a total of 49.77% equity interests in the Company through CRRC ZELRI, CRRC Zhuzhou and CRRC Hong Kong Capital Management Co., Ltd.

2. *Natural person*

☐Applicable ☒Not Applicable

Changes in Shares and Particulars of Shareholders



3. Special explanation for absence of actual controller

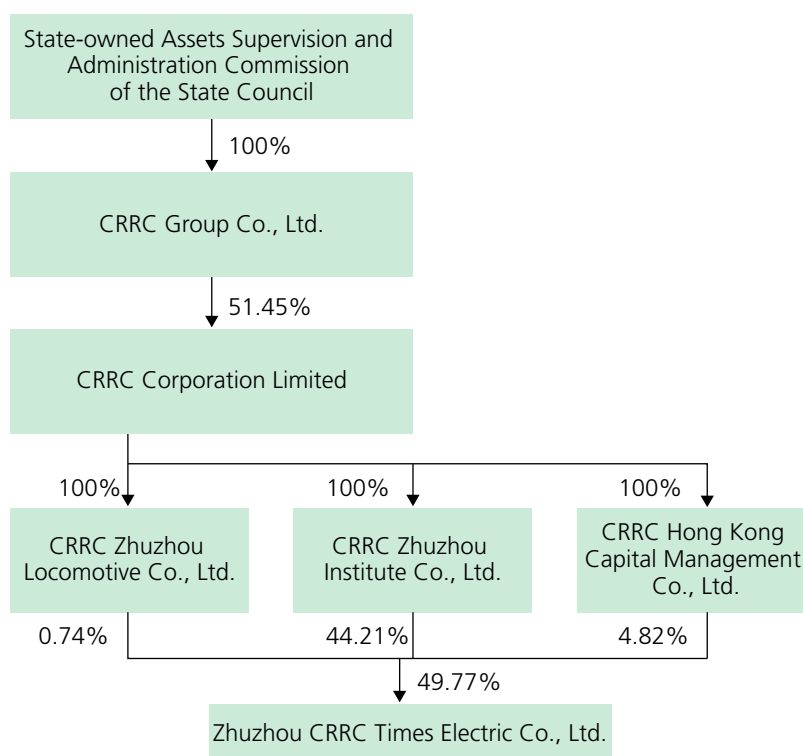
☐ Applicable ☒ Not Applicable

4. Explanation on change of control of the Company during the reporting period

☐ Applicable ☒ Not Applicable

5. Diagram of the property rights and control relationship between the Company and the actual controller

☒ Applicable ☐ Not Applicable



6. Controlling the Company by actual controller through trust or other asset management methods

☐ Applicable ☒ Not Applicable

(III) Other Information of Controlling Shareholder and Actual Controller

☐ Applicable ☒ Not Applicable



Changes in Shares and Particulars of Shareholders

V. THE CONTROLLING SHAREHOLDER OR LARGEST SHAREHOLDER OF THE COMPANY AND PARTIES ACTING IN CONCERT WITH THEM ACCUMULATIVELY PLEDGED MORE THAN 80% OF THE EQUITY INTERESTS IN THE COMPANY HELD BY THEM

☐ Applicable ☒ Not Applicable

VI. OTHER LEGAL PERSON HOLDING MORE THAN 10% OF THE SHARES

☐ Applicable ☒ Not Applicable

VII. EXPLANATION OF RESTRICTIONS ON REDUCTION OF HOLDING OF SHARES/ DEPOSITARY RECEIPTS

☐ Applicable ☒ Not Applicable

VIII. IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

☐ Applicable ☒ Not Applicable

During the reporting period and up to 24 February 2026, the Company repurchased a total of 44,655,500 H Shares with a nominal value of RMB1 each on the Hong Kong Stock Exchange in the H share capital of the Company, at a total consideration of approximately HK\$1,382,096,613.38 (excluding transaction expenses). Details are set out below:

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
February 2026	283,900	44.7	42.46	12,325,257.36

Changes in Shares and Particulars of Shareholders



37,313,100 H Shares repurchased by the Company during the period from 17 December 2024 to 20 February 2025 were cancelled on 26 February 2025; 11,391,300 H Shares repurchased during the period from 30 April 2025 to 5 June 2025 were cancelled on 19 June 2025; and the other 283,900 H Shares repurchased during the period from 10 February 2026 to 24 February 2026 will be cancelled at an appropriate timing.

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities (including sale of treasury shares as defined under the SEHK Listing Rules) during the reporting period and up to the date of this report. As at 31 December 2025, the Company did not hold any 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, a general mandate was approved by Shareholders at the Company's 2023 annual general meeting, the 2024 first A Share class meeting and 2024 first H Share class meeting held on 27 June 2024, and at the Company's 2024 annual general meeting, the 2025 first A Share class meeting and 2025 first H Share class meeting held on 27 June 2025, respectively, pursuant to which the Directors repurchased the H Shares.

IX. PREFERENCE SHARES

☐Applicable ☒Not Applicable



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



I. AUDITOR'S REPORT

✓ Applicable ☐ Not applicable

I. AUDIT OPINION

We have audited the accompanying financial statements of Zhuzhou CRRC Times Electric Co., Ltd. ("CRRC Times Electric"), which comprise the consolidated and parent company balance sheets as at 31 December 2025, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, the consolidated and parent company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of CRRC Times Electric as at 31 December 2025, and the consolidated and parent company financial performance and cash flows of CRRC Times Electric for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. In accordance with the *China Code of Ethics for Certified Public Accountants* and the *Independence Standard for Chinese Certified Public Accountants No. 1 – Requirements for Independence in Audit and Review of Financial Statements*, which apply to the audit of financial statements of public interest entities, we are independent of CRRC Times Electric and have fulfilled all relevant ethical obligations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

III. KEY AUDIT MATTERS (continued)

Bad debt provision for accounts receivable and impairment provision for contract assets

Refer to the accounting policies set out in section 11. Financial instruments of the notes to the financial statements “V. Significant accounting policies and accounting estimates” and sections 4. Accounts receivable, 5. Contract assets and 21. Other non-current assets of “VII. Notes to the consolidated financial statements”.

Key Audit Matter

As shown in notes VII(4), VII(5) and VII(21) to the financial statements, as at 31 December 2025, the carrying amount of accounts receivable and contract assets (including contract assets classified under “other non-current assets”) of the CRRC Times Electric Group was RMB13,392,897,401 and RMB2,411,506,129, respectively; The amount of bad debt provision for accounts receivable and impairment provision for contract assets was RMB1,135,454,561 and RMB216,793,425, respectively.

In respect of Expected Credit Loss (ECL) of accounts receivable and contract assets categorized by credit risk characteristics, the Group measures loss allowance at an amount equivalent to the lifetime ECLs. The calculation of ECL takes into account the aging of accounts receivable, the recovery history of CRRC Times Electric's customers, current market conditions, and forward-looking information. This assessment involves significant management judgements and estimates.

Due to the significant management judgement involved in determining bad debt provision for accounts receivable and impairment provision for contract assets, and the inherent uncertainty involved, we have identified the bad debt provision for accounts receivable and impairment provision for contract assets as a key audit matter.

How the Matter was Addressed in Our Audit

Our audit procedures to assess bad debt provision for accounts receivable and impairment provision for contract assets included the following:

- Understand the key internal controls over financial reporting related to credit risk control, fund recovery, and ECL estimation, and evaluate their design and operational effectiveness;
- Evaluate CRRC Times Electric's accounting policies for estimating bad debt provision in accordance with relevant accounting standards;
- Select samples from the accounts receivable aging analysis report and reconcile them with relevant supporting documents to evaluate the accuracy of the aging interval division in the accounts receivable aging analysis report;
- Understand the key parameters and assumptions used in the management's ECL model, including the basis for grouping receivables based on customers' credit risk characteristics and historical credit loss data;
- By examining the information used by management to make accounting estimates, including testing the accuracy of historical credit loss data, evaluate whether historical loss rates have been appropriately adjusted based on current economic conditions and forward-looking information, as well as the appropriateness of management's ECL estimates;
- Recalculate the bad debt provision for accounts receivable and impairment provision for contract assets as at 31 December 2025 based on the accounting policy for the ECL provision of CRRC Time Electric.

III. KEY AUDIT MATTERS (continued)

Revenue Recognition

Refer to the accounting policies set out in section 28 Revenue of the notes to the financial statements “V. Significant accounting policies and accounting estimates” and section 44 Revenue and cost of sales of “VII. Notes to the consolidated financial statements”.

Key Audit Matter

The operating revenue of CRRC Times Electric in 2025 was RMB28,702,700,063, mainly including sales of goods and materials, as well as maintenance service revenue.

The Group recognises sales revenue at the time when the customer obtains control of relevant goods or services. For the revenue from selling goods and materials, CRRC Times Electric recognizes the revenue when the goods are signed for or accepted; For maintenance service revenue, CRRC Times Electric recognizes revenue upon completion of maintenance services.

We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of CRRC Times Electric, and there is a risk that the timing of revenue recognition could be manipulated by the management to meet specific goals or expectations.

How the Matter was Addressed in Our Audit

Our audit procedures to evaluate revenue recognition include the following:

- Understand and evaluate the design and operating effectiveness of key internal controls over financial reporting related to revenue recognition;
- Perform sample check on sales contracts in respect of terms related to the transfer of control, and evaluate whether the accounting policies for revenue recognition of CRRC Times Electric meet the requirements of the Accounting Standards for Business Enterprises;
- Select items of revenue from sales of products and materials and maintenance services recorded this year, and check supporting documents such as sales contracts, receipts, acceptance and handover forms, and invoices to evaluate whether relevant revenue items has been recognized in accordance with CRRC Times Electric’s revenue recognition accounting policy;
- Perform sample check on the sales transactions close to the balance sheet date, by checking relevant supporting documents such as sales contracts, receipts, acceptance and handover forms, to evaluate whether relevant revenue items were recorded in the appropriate accounting period;
- Review the post-balance sheet date revenue accounting record to identify any significant sales returns; if significant sales returns are identified, check supporting documents such as sales contracts, receipts, acceptance and handover forms, to evaluate whether relevant revenue items were recorded in the appropriate accounting period;
- Select revenue accounting entries that meet specific risk criteria and check related supporting documents.

IV. OTHER INFORMATION

CRRC Times Electric's management is responsible for the other information. The other information comprises all the information included in 2025 annual report of CRRC Times Electric, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing CRRC Times Electric's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CRRC Times Electric or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CRRC Times Electric's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CRRC Times Electric's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CRRC Times Electric to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CRRC Times Electric to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Financial Report

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Huazhen LLP Certified Public Accountants

Registered in the People's Republic of China

Zhang Huan (Engagement Partner)

Shao Siqi

Beijing, China

27 March 2026

Consolidated Balance Sheet

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

31 December 2025
Unit: Yuan Currency: RMB

II. Financial Statements

Item	Note	31 December 2025	31 December 2024
Current assets:			
Cash and bank balances	VII.1	6,713,862,572	10,652,179,214
Held-for-trading financial assets	VII.2	1,000,300,274	3,533,861,455
Bills receivable	VII.3	5,294,265,231	3,224,588,596
Accounts receivable	VII.4	12,257,442,840	11,612,385,573
Trade receivables financing	VII.6	3,693,354,480	3,821,703,358
Prepayments	VII.7	749,333,113	581,863,392
Other receivables	VII.8	233,930,619	247,407,254
Including: Interest receivable		—	—
Dividends receivable		240,000	—
Inventories	VII.9	8,705,769,417	7,063,580,028
Including: Data resources		—	—
Contract assets	VII.5	1,072,969,583	995,492,991
Non-current assets due within one year	VII.10	1,132,085,530	2,628,347,569
Other current assets	VII.11	986,862,597	2,071,940,937
Total current assets		41,840,176,256	46,433,350,367
Non-current assets:			
Long-term receivables		301,219	1,969,712
Long-term equity investments	VII.12	528,664,234	572,444,420
Other equity instrument investments	VII.13	285,062,700	266,823,520
Fixed assets	VII.14	11,394,887,172	8,594,961,720
Construction in progress	VII.15	3,463,141,312	2,312,618,688
Right-of-use assets	VII.16	416,531,090	279,746,716
Intangible assets	VII.17	1,417,058,213	1,390,860,997
Including: Data resources		—	—
Development expenditure	VIII.2	271,462,305	254,424,273
Including: Data resources		—	—
Goodwill	VII.18	238,312,284	230,971,288
Long-term prepaid expenses	VII.19	23,356,690	17,940,557
Deferred tax assets	VII.20	952,977,752	932,379,026
Other non-current assets	VII.21	11,252,305,871	3,513,755,035
Total non-current assets		30,244,060,842	18,368,895,952
Total assets		72,084,237,098	64,802,246,319



Consolidated Balance Sheet

31 December 2025

Unit: Yuan Currency: RMB

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

Item	Note	31 December 2025	31 December 2024
Current liabilities:			
Short-term loans	VII.23	40,972,638	39,010,667
Bills payable	VII.24	8,703,157,466	5,816,830,991
Accounts payable	VII.25	8,692,091,331	8,289,622,832
Contract liabilities	VII.26	1,696,756,907	1,333,540,452
Employee benefits payable	VII.27	260,710,380	226,286,846
Taxes payable	VII.28	222,408,810	244,575,367
Other payables	VII.29	3,753,027,316	1,869,975,564
Including: Interest payable		—	—
Dividends payable		11,405,000	—
Non-current liabilities due within one year	VII.30	975,638,239	743,193,133
Other current liabilities	VII.31	205,580,875	166,486,362
Total current liabilities		24,550,343,962	18,729,522,214
Non-current liabilities:			
Long-term loans	VII.32	48,688,000	62,004,100
Lease liabilities	VII.33	298,727,328	187,969,883
Long-term payables	VII.34	—	72,823
Provisions	VII.35	679,034,434	611,111,883
Deferred income	VII.36	562,194,753	420,037,069
Deferred tax liabilities	VII.20	17,505,427	25,014,291
Other non-current liabilities		2,960,872	4,096,248
Total non-current liabilities		1,609,110,814	1,310,306,297
Total liabilities		26,159,454,776	20,039,828,511

Consolidated Balance Sheet

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

31 December 2025
Unit: Yuan Currency: RMB

Item	Note	31 December 2025	31 December 2024
Owners' (Shareholders') equity:			
Paid-in capital (or share capital)	VII.37	1,357,948,412	1,406,652,812
Capital reserve	VII.38	11,401,454,321	12,730,965,320
Less: Treasury shares	VII.39	—	124,242,646
Other comprehensive income	VII.40	-202,728,632	-240,610,284
Special reserve	VII.41	154,943,137	120,842,834
Surplus reserve	VII.42	3,852,572,724	3,530,286,607
Retained earnings	VII.43	25,922,673,470	24,103,864,879
Total equity attributable to owners (shareholders) of the parent company		42,486,863,432	41,527,759,522
Non-controlling interests		3,437,918,890	3,234,658,286
Total owners' (shareholders') equity		45,924,782,322	44,762,417,808
Total liabilities and (owners') shareholders' equity		72,084,237,098	64,802,246,319

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng



The Company's Balance Sheet

31 December 2025

Unit: Yuan Currency: RMB

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

Item	Note	31 December 2025	31 December 2024
Current assets:			
Cash and bank balances		4,442,641,946	8,470,104,006
Held-for-trading financial assets		1,000,300,274	3,473,771,845
Bills receivable		4,222,070,352	2,645,663,578
Accounts receivable	XIX.1	8,417,883,620	8,563,286,997
Trade receivables financing		2,550,194,668	2,921,822,325
Prepayments		336,448,038	190,756,407
Other receivables	XIX.2	2,898,381,138	882,837,150
Including: Interest receivable		—	—
Dividends receivable		313,935,000	—
Inventories		5,402,301,850	4,024,160,946
Including: Data resources		—	—
Contract assets		458,002,555	466,080,113
Non-current assets due within one year		1,012,313,010	2,628,347,569
Other current assets		408,237,731	1,278,173,950
Total current assets		31,148,775,182	35,545,004,886
Non-current assets:			
Long-term receivables		711,010,347	1,329,743,444
Long-term equity investments	XIX.3	11,387,207,354	11,341,834,640
Other equity instrument investments		285,062,700	266,823,520
Fixed assets		2,604,263,962	2,087,626,866
Construction in progress		179,876,871	684,396,457
Right-of-use assets		89,431,738	91,801,720
Intangible assets		466,531,101	459,502,229
Including: Data resources		—	—
Development expenditures		59,053,386	32,863,369
Including: Data resources		—	—
Long-term prepaid expenses		3,956,885	5,111,851
Deferred tax assets		363,393,601	293,267,024
Other non-current assets		10,296,917,832	2,233,721,166
Total non-current assets		26,446,705,777	18,826,692,286
Total assets		57,595,480,959	54,371,697,172

The Company's Balance Sheet



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

31 December 2025
Unit: Yuan Currency: RMB

Item	Note	31 December 2025	31 December 2024
Current liabilities:			
Bills payable		4,757,405,817	3,023,993,229
Trade payables		5,406,966,972	6,012,400,054
Contract liabilities		1,211,694,763	864,767,371
Employee benefits payable		107,807,544	87,677,417
Taxes payable		39,990,463	34,528,880
Other payables		6,237,666,379	4,842,715,832
Including: Interest payable		—	—
Dividends payable		—	—
Non-current liabilities due within one year		709,084,166	532,623,213
Other current liabilities		156,928,178	112,479,648
Total current liabilities		18,627,544,282	15,511,185,644
Non-current liabilities:			
Long-term loans		48,688,000	62,004,100
Lease liabilities		50,019,263	59,233,071
Long-term payables		—	72,823
Provisions		446,554,619	368,805,560
Deferred income		118,575,496	99,830,525
Deferred tax liabilities		—	—
Other non-current liabilities		2,960,872	4,096,248
Total non-current liabilities		666,798,250	594,042,327
Total liabilities		19,294,342,532	16,105,227,971
Owners' (Shareholders') equity:			
Paid-in capital (or share capital)		1,357,948,412	1,406,652,812
Capital reserve		8,944,376,585	10,288,610,687
Less: Treasury shares		—	124,242,646
Other comprehensive income		-18,545,397	-43,839,228
Special reserve		33,688,310	23,032,517
Surplus reserve		3,852,572,724	3,530,286,607
Retained earnings		24,131,097,793	23,185,968,452
Total owners' (shareholders') equity		38,301,138,427	38,266,469,201
Total liabilities and (owners') shareholders' equity		57,595,480,959	54,371,697,172

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng



Consolidated Income Statement

From January to December 2025

Unit: Yuan Currency: RMB

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

Item	Note	From January to December 2025	From January to December 2024
I. Total operating income	VII.44	28,702,700,063	24,908,937,548
Including: Operating income		28,702,700,063	24,908,937,548
II. Total operating costs		23,846,503,380	21,248,316,414
Including: Operating costs	VII.44	19,106,801,504	16,818,295,341
Taxes and surcharges	VII.45	195,139,917	161,453,637
Selling expenses	VII.46	586,917,932	589,179,188
Administrative expenses	VII.47	1,227,083,317	1,168,944,671
Research and development expenses	VII.48	3,011,318,327	2,656,671,063
Financial expenses	VII.49	-280,757,617	-146,227,486
Including: Interest expenses		26,238,709	39,387,935
Interest income		305,300,440	285,069,804
Add: Other income	VII.50	476,062,137	925,718,560
Investment income ("-" for losses)	VII.51	-6,536,615	28,298,447
Including: Gains from investments in associates and joint ventures ("-" for losses)		-12,091,078	-4,280,864
Gains from derecognition of financial assets measured at amortised cost		-9,163,644	-1,468,401
Gains from changes in fair value ("-" for losses)	VII.52	6,988,124	43,848,229
Credit losses ("-" for losses)	VII.53	-319,179,854	-307,061,034
Impairment losses ("-" for losses)	VII.54	-166,308,876	-88,368,856
Gains from asset disposals ("-" for losses)	VII.55	-1,080,488	22,949,946
III. Operating profit ("-" for loss)		4,846,141,111	4,286,006,426
Add: Non-operating income	VII.56	45,644,214	47,860,241
Less: Non-operating expenses	VII.57	18,142,406	17,272,734
IV. Profit before income tax ("-" for losses)		4,873,642,919	4,316,593,933
Less: Income tax expenses	VII.58	564,579,130	367,838,088
V. Net profit for the year ("-" for losses)		4,309,063,789	3,948,755,845
(I) Net profit classified by continuity of operations ("-" for net loss):			
1. Net profit from continuing operations ("-" for net loss)		4,309,063,789	3,948,755,845
2. Net profit from discontinued operations ("-" for net loss)		-	-

Consolidated Income Statement

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

From January to December 2025
Unit: Yuan Currency: RMB

Item	Note	From January to December 2025	From January to December 2024
(II) Net profit classified by ownership ("-" for net loss):			
1. Net profit attributable to shareholders of the Company ("-" for net losses)		4,096,540,421	3,702,585,914
2. Net profit attributable to non-controlling interests ("-" for net losses)		212,523,368	<u>246,169,931</u>
VI. Other comprehensive income, net of tax	VII.40	35,825,472	16,609,831
(I) Other comprehensive income attributable to shareholders of the Company, net of income tax		37,881,652	15,444,782
1 Items that will not reclassified to profit or loss		15,503,303	—
(1) Changes in fair value of investments in other equity instruments		15,503,303	—
2. Items that may be reclassified to profit or loss		22,378,349	15,444,782
(1) Changes in fair value of other debt investments		7,987,350	22,918,453
(2) Translation differences arising from translation of foreign currency financial statements		14,390,999	-7,473,671
(II) Other comprehensive income (net of tax) attributable to non-controlling interests		-2,056,180	<u>1,165,049</u>
VII. Total comprehensive income		4,344,889,261	<u>3,965,365,676</u>
(I) Total comprehensive income attributable to shareholders of the Company		4,134,422,073	<u>3,718,030,696</u>
(II) Total comprehensive income attributable to non-controlling interests		210,467,188	<u>247,334,980</u>
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	XX.2	2.99	2.62
(II) Diluted earnings per share (RMB/share)	XX.2	2.99	<u>2.62</u>

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



The Company's Income Statement

From January to December 2025

Unit: Yuan Currency: RMB

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

Item	Note	From January to December 2025	From January to December 2024
I. Operating income	XIX.4	13,827,121,804	12,823,617,992
Less: Operating costs	XIX.4	9,934,087,216	9,862,550,812
Taxes and surcharges		88,954,291	61,282,402
Selling expenses		218,649,267	290,722,017
Administrative expenses		594,260,505	550,468,887
Research and development expenses		1,323,721,179	1,113,528,702
Financial expenses		-232,755,756	-152,158,407
Including: Interest expenses		68,311,125	36,406,451
Interest income		-312,483,270	-226,589,460
Add: Other income		119,477,993	287,129,692
Investment income ("-" for losses)	XIX.5	1,562,777,819	2,687,341,448
Including: Gains from investments in associates and joint ventures ("-" for losses)		-8,174,436	7,193,764
Gains from derecognition of financial assets measured at amortised cost ("-" for losses)		—	-1,468,401
Gains from changes in fair value ("-" for losses)		6,988,124	42,251,191
Credit losses ("-" for losses)		-170,888,955	-190,182,315
Impairment losses ("-" for losses)		-107,898,734	-17,348,386
Gains from disposal of assets ("-" for losses)		111,277,772	856,027
II. Operating profit ("-" for loss)		3,421,939,121	3,907,271,236
Add: Non-operating income		20,792,022	17,054,193
Less: Non-operating expenses		3,713,612	9,052,010
III. Profit before income tax ("-" for loss)		3,439,017,531	3,915,273,419
Less: Income tax expenses		216,156,360	148,999,815
IV. Net profit for the year ("-" for net loss)		3,222,861,171	3,766,273,604
(I) Net profit from continuing operations ("-" for net loss)		3,222,861,171	3,766,273,604
(II) Net profit from discontinued operations ("-" for net loss)		—	—
V. Other comprehensive income, net of tax		25,293,831	15,555,611
(I) Items that will not be reclassified to profit or loss		15,503,303	—
1. Changes in fair value of investments in other equity instruments		15,503,303	—
(II) Items that may be reclassified to profit or loss		9,790,528	15,555,611
1. Changes in fair value of other debt investments		8,370,213	19,104,919
2. Translation differences arising from translation of foreign currency financial statements		1,420,315	-3,549,308
VI. Total comprehensive income for the year		3,248,155,002	3,781,829,215

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Consolidated Cash Flow Statement



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

From January to December 2025
Unit: Yuan Currency: RMB

Item	Note	From January to December 2025	From January to December 2024
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		27,481,228,059	21,351,420,034
Receipts of tax refunds		401,373,637	395,257,575
Other cash receipts relating to operating activities	VII.59	684,874,065	839,784,440
Sub-total of cash inflows from operating activities		28,567,475,761	22,586,462,049
Cash payments for goods purchased and services received		16,930,928,872	12,171,801,154
Cash payments to and on behalf of employees		3,686,131,489	3,181,274,474
Payment of various taxes		1,771,138,788	1,828,552,588
Payment for other operating activities	VII.59	2,214,552,312	2,043,712,918
Sub-total of cash outflows from operating activities		24,602,751,461	19,225,341,134
Net cash inflow from operating activities	VII.60	3,964,724,300	3,361,120,915
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		9,793,096,000	17,125,529,310
Cash receipts from investment income		348,275,163	236,199,445
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		1,253,089	31,377,030
Sub-total of cash inflows from investing activities		10,142,624,252	17,393,105,785
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		4,009,770,595	3,450,534,468
Other cash payments relating to investing activities		12,653,287,502	17,142,178,286
Sub-total of cash outflows from investing activities		16,663,058,097	20,592,712,754
Net cash outflow from investing activities		-6,520,433,845	-3,199,606,969



Consolidated Cash Flow Statement

From January to December 2025

Unit: Yuan Currency: RMB

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

Item	Note	From January to December 2025	From January to December 2024
III. Cash flows from financing activities:			
Cash receipts from capital contributions		65,115,700	4,542,954,269
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		65,115,700	4,542,954,269
Cash receipts from borrowings		414,840	319,000,000
Other cash receipts relating to financing activities	VII.59	1,442,790,621	1,577,585
Sub-total of cash inflows from financing activities		1,508,321,161	4,863,531,854
Cash repayments of borrowings		14,467,765	1,344,118,434
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,029,782,587	1,192,340,033
Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries		52,170,878	65,069,164
Other cash payments relating to financing activities	VII.59	166,890,668	1,870,825,141
Sub-total of cash outflows from financing activities		2,211,141,020	4,407,283,608
Net cash outflow from financing activities		-702,819,859	456,248,246
IV. Effect of foreign exchange rate changes on cash and cash equivalents		10,527,882	6,268,047
V. Net increase in cash and cash equivalents		-3,248,001,522	624,030,239
Add: Opening balance of cash and cash equivalents		7,637,572,817	7,013,542,578
VI. Closing balance of cash and cash equivalents		4,389,571,295	7,637,572,817

Legal representative:

Li Donglin

Chief Financial Officer:

Sun Shan

Head of Accounting Department:

Yuan Feng

The Company's Cash Flow Statement



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

From January to December 2025
Unit: Yuan Currency: RMB

Item	Note	From January to December 2025	From January to December 2024
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		16,148,555,604	10,251,711,617
Receipts of tax refunds		217,562,696	123,884,720
Other cash receipts relating to operating activities		275,602,800	180,121,729
Sub-total of cash inflows from operating activities		16,641,721,100	10,555,718,066
Cash payments for goods purchased and services received		11,511,000,331	6,618,321,135
Cash payments to and on behalf of employees		1,530,067,601	1,325,370,675
Payment of various taxes		815,803,308	896,278,690
Payment for other operating activities		1,527,634,990	1,511,772,396
Sub-total of cash outflows from operating activities		15,384,506,230	10,351,742,896
Net cash outflow from operating activities		1,257,214,870	203,975,170
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		9,563,756,500	13,593,300,000
Cash receipts from investment income		720,971,892	2,058,277,782
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		681,158,217	3,530,092
Net cash received for disposing of subsidiaries and other business units		2,774,333	—
Sub-total of cash inflows from investing activities		10,968,660,942	15,655,107,874
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		616,634,848	420,730,700
Cash payments to acquire investments		13,852,903,315	13,841,895,557
Sub-total of cash outflows from investing activities		14,469,538,163	14,262,626,257
Net cash outflow from investing activities		-3,500,877,221	1,392,481,617



The Company's Cash Flow Statement

From January to December 2025

Unit: Yuan Currency: RMB

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

Item	Note	From January to December 2025	From January to December 2024
III. Cash flows from financing activities:			
Cash receipts from capital contributions		—	—
Cash receipts from borrowings		—	—
Cash received related to other financing activities		<u>2,368,181,108</u>	<u>4,859,000,000</u>
Sub-total of cash inflows from financing activities		<u>2,368,181,108</u>	<u>4,859,000,000</u>
Cash repayments of borrowings		14,467,765	5,056,000
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,130,863,975	1,160,407,359
Other cash payments relating to financing activities		<u>1,013,135,873</u>	<u>2,941,304,769</u>
Sub-total of cash outflows from financing activities		<u>3,158,467,613</u>	<u>4,106,768,128</u>
Net cash outflow from financing activities		<u>-790,286,505</u>	<u>752,231,872</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>-9,006,794</u>	<u>7,527,642</u>
V. Net increase in cash and cash equivalents		<u>-3,042,955,650</u>	<u>2,356,216,301</u>
Add: Opening balance of cash and cash equivalents		<u>5,948,168,416</u>	<u>3,591,952,115</u>
VI. Closing balance of cash and cash equivalents		<u>2,905,212,766</u>	<u>5,948,168,416</u>

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Consolidated Statement of Changes in Owners' Equity



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

From January to December 2025
Unit: Yuan Currency: RMB

Item	From January to December 2025									
	Equity attributable to owners of the Company								Non-controlling interests	Total
	Paid-in capital (or share capital)	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total		
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	-1,329,510,999	-124,242,646	37,881,652	34,100,303	322,286,117	1,818,808,591	959,103,910	203,260,604	1,162,364,514
(I) Total comprehensive income	-	-	-	37,881,652	-	-	4,096,540,421	4,134,422,073	210,467,188	4,344,889,261
(II) Owners' contributions and reduction in capital	-48,704,400	-1,329,510,999	-124,242,646	-	-	-	-	-1,253,972,753	51,973,978	-1,201,998,775
1. Capital contribution from owners	-	12,541,722	-	-	-	-	-	12,541,722	52,573,978	65,115,700
2. Repurchase of treasury shares	-	-	1,266,402,973	-	-	-	-	-1,266,402,973	-	-1,266,402,973
3. Cancellation of treasury shares	-48,704,400	-1,341,941,219	-1,390,645,619	-	-	-	-	-	-	-
4. Others	-	-111,502	-	-	-	-	-	-111,502	-600,000	-711,502
(III) Appropriation of profits	-	-	-	-	-	322,286,117	-2,277,731,830	-1,955,445,713	-62,970,878	-2,018,416,591
1. Appropriation for surplus reserve	-	-	-	-	-	322,286,117	-322,286,117	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-1,955,445,713	-1,955,445,713	-62,970,878	-2,018,416,591
(IV) Special reserve	-	-	-	-	34,100,303	-	-	34,100,303	3,790,316	37,890,619
1. Transfer to special reserve in the period	-	-	-	-	57,915,595	-	-	57,915,595	6,419,652	64,335,247
2. Amount utilised in the period	-	-	-	-	-23,815,292	-	-	-23,815,292	-2,629,336	-26,444,628
IV. Closing balance of the current period	1,357,948,412	11,401,454,321	-	-202,728,632	154,943,137	3,852,572,724	25,922,673,470	42,486,863,432	3,437,918,890	45,924,782,322

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng



Consolidated Statement of Changes in Owners' Equity

From January to December 2024

Unit: Yuan Currency: RMB

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

Item	From January to December 2024									
	Equity attributable to owners of the Company								Non-controlling interests	Total
	Paid-in capital (or share capital)	Capital reserve	Less: treasury shares	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	-	-255,055,066	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)	-9,584,100	2,013,962,476	124,242,646	15,444,782	32,463,485	376,627,360	2,224,957,267	4,529,628,624	2,384,083,983	6,913,712,607
(I) Total comprehensive income	-	-	-	15,444,782	-	-	3,702,585,914	3,718,030,696	247,334,980	3,965,365,676
(II) Owners' contributions and reduction in capital	-9,584,100	2,013,962,476	124,242,646	-	-	-	-	1,880,135,730	2,197,064,036	4,077,199,766
1. Capital contribution from owners	-	2,341,739,814	-	-	-	-	-	2,341,739,814	2,197,064,036	4,538,803,850
2. Business combination involving entities under common control	-	-106,925,028	-	-	-	-	-	-106,925,028	-	-106,925,028
3. Repurchase of treasury shares	-	-	354,679,056	-	-	-	-	-354,679,056	-	-354,679,056
4. Cancellation of treasury shares	-9,584,100	-220,852,310	-230,436,410	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	376,627,360	-1,477,628,647	-1,101,001,287	-65,069,164	-1,166,070,451
1. Appropriation for surplus reserve	-	-	-	-	-	376,627,360	-376,627,360	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-1,101,001,287	-1,101,001,287	-65,069,164	-1,166,070,451
(IV) Special reserve	-	-	-	-	32,463,485	-	-	32,463,485	4,754,131	37,217,616
1. Transfer to special reserve in the period	-	-	-	-	56,519,336	-	-	56,519,336	6,246,237	62,765,573
2. Amount utilised in the period	-	-	-	-	-24,055,851	-	-	-24,055,851	-1,492,106	-25,547,957
IV. Closing balance of the current period	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

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

The Company's Statement of Changes in Owners' Equity



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

From January to December 2025
Unit: Yuan Currency: RMB

Item	From January to December 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	-1,344,234,102	-124,242,646	25,293,831	10,655,793	322,286,117	945,129,341	34,669,226
(I) Total comprehensive income	-	-	-	25,293,831	-	-	3,222,861,171	3,248,155,002
(II) Owners' contributions and reduction in capital	-48,704,400	-1,344,234,102	-124,242,646	-	-	-	-	-1,268,695,856
1. Repurchase of treasury shares	-	-	1,266,402,973	-	-	-	-	-1,266,402,973
2. Written off treasury shares	-48,704,400	-1,341,941,219	-1,390,645,619	-	-	-	-	-
3. Others	-	-2,292,883	-	-	-	-	-	-2,292,883
(III) Appropriation of profits	-	-	-	-	-	322,286,117	-2,277,731,830	-1,955,445,713
1. Appropriation for surplus reserve	-	-	-	-	-	322,286,117	-322,286,117	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-1,955,445,713	-1,955,445,713
(IV) Special reserve	-	-	-	-	10,655,793	-	-	10,655,793
1. Transfer to special reserve in the period	-	-	-	-	28,297,535	-	-	28,297,535
2. Amount utilised in the period	-	-	-	-	-17,641,742	-	-	-17,641,742
IV. Closing balance of the current period	1,357,948,412	8,944,376,585	-	-18,545,397	33,688,310	3,852,572,724	24,131,097,793	38,301,138,427

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng



The Company's Statement of Changes in Owners' Equity

From January to December 2024

Unit: Yuan Currency: RMB

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

Item	From January to December 2024							Total
	Paid-in capital (or share capital)	Capital reserve	Less: Treasury shares	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)	-9,584,100	-290,892,888	124,242,646	15,555,611	2,820,951	376,627,360	2,288,644,959	2,258,929,247
(I) Total comprehensive income	-	-	-	15,555,611	-	-	3,766,273,604	3,781,829,215
(II) Owners' contributions and reduction in capital	-9,584,100	-290,892,888	124,242,646	-	-	-	-	-424,719,634
1. Repurchase of treasury shares	-	-	354,679,056	-	-	-	-	-354,679,056
2. Written off treasury shares	-9,584,100	-220,852,310	-230,436,410	-	-	-	-	-
3. Others	-	-70,040,578	-	-	-	-	-	-70,040,578
(III) Appropriation for surplus reserve	-	-	-	-	-	376,627,360	-1,477,628,645	-1,101,001,285
1. Appropriation for surplus reserve	-	-	-	-	-	376,627,360	-376,627,360	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-1,101,001,285	-1,101,001,285
(IV) Special reserve	-	-	-	-	2,820,951	-	-	2,820,951
1. Transfer to special reserve in the period	-	-	-	-	15,974,465	-	-	15,974,465
2. Amount utilised in the period	-	-	-	-	-13,153,514	-	-	-13,153,514
IV. Closing balance of the current period	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

Legal representative:

Li Donglin

Chief Financial Officer:

Sun Shan

Head of Accounting Department:

Yuan Feng

Notes to the Financial Statements



For the year ended 31 December 2025
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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 2025, the Company de-registered repurchased H shares from the Hong Kong Stock Exchange. As of December 31 2025, the Company has repurchased 44,371,600 H Shares and cancelled 48,704,400 H Shares (including 4,332,800 H Shares repurchased in 2024).

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, power semiconductor devices, industrial converter products, new energy vehicle electric drive system, sensor parts and offshore equipment.



Notes to the Financial Statements

For the year ended 31 December 2025
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III. BASIC INFORMATION ABOUT THE COMPANY (continued)

2. Scope of the consolidated financial statements

✓ Applicable ☐ Not applicable

The consolidated financial statements of the Company and its parent company's financial statements have been approved by the board of directors on 27 March 2026.

For the detailed scope of the consolidated financial statements for the reporting period, please refer to "Note X. Equity in other entities". For details of changes in the consolidation scope for the reporting period, please refer to "Note IX. Change in consolidation scope".

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 31 December 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.

3. Basis of accounting and principle of measurement

✓ Applicable ☐ Not applicable

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement. When assets are impaired, impairment provisions for assets are recognised in accordance with relevant requirements.

The historical cost of an asset when it is acquired or created is the value of the costs incurred in acquiring or creating the asset, comprising the fair value of consideration paid to acquire or create the asset. The historical cost of a liability when it is incurred or taken on is the value of the consideration received to incur or take on the liability, or the contractual amount for taken current obligations, or the amount of cash and cash equivalents expected to be paid to settle the liabilities in normal course of business.

Notes to the Financial Statements



For the year ended 31 December 2025
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IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

3. Basis of accounting and principle of measurement (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and disclosure in the financial statements are determined according to the above basis.

The Group considers the ability of market participants to put assets into best use for economic benefits or sell the assets to other market participants who are able to put the assets into best use for economic benefits when measuring non-financial assets at fair value.

For financial assets with transaction prices as the fair value upon initial recognition and the valuation technique of unobservable inputs employed in the subsequent measurement at the fair value, the technique is adjusted during the valuation to match the initial recognition results determined with the transaction prices.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;
- Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;
- Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

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.



Notes to the Financial Statements

For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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.

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, operating income 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

Notes to the Financial Statements



For the year ended 31 December 2025
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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.



Notes to the Financial Statements

For the year ended 31 December 2025
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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.

Notes to the Financial Statements



For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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.

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.



Notes to the Financial Statements

For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

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.

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 comprises cash on hand and deposits that can be readily withdrawn on demand. 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.

Notes to the Financial Statements



For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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.



Notes to the Financial Statements

For the year ended 31 December 2025
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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.

Notes to the Financial Statements



For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

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.

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.



Notes to the Financial Statements

For the year ended 31 December 2025
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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.

(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.

Notes to the Financial Statements



For the year ended 31 December 2025
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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 (continued)

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.



Notes to the Financial Statements

For the year ended 31 December 2025
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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.

Notes to the Financial Statements



For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(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.

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.



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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)

At the balance sheet date, if the Group judges that the financial instruments solely are exposed to lower 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 lower credit risk.

(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;
- 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.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(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, initial recognition date, and contract collection term etc.

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.



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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)

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

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.

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For the year ended 31 December 2025
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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.



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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.

(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.

Notes to the Financial Statements



For the year ended 31 December 2025
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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 (continued)

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.



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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.

Notes to the Financial Statements



For the year ended 31 December 2025
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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



Notes to the Financial Statements

For the year ended 31 December 2025
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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.

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

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

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For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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.

Recognition criteria and presentation of discontinued operations:

☐ Applicable ☒ Not applicable



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For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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.

Notes to the Financial Statements



For the year ended 31 December 2025
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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.



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For the year ended 31 December 2025
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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.20. 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.

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For the year ended 31 December 2025
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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.



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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	Constructions were completed and came into use.
Machinery and equipment	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.

Notes to the Financial Statements



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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.



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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	Amortization	Confirmation basis	Use life (Years)	Residual value rate(%)
Land use rights	Straight-line method	Legal right of use	40-50	—
Software licenses	Straight-line method	The authorization period stipulated in the contract or the period during which is expected to generate economic benefits for the company	3-10	—
Patents, license and technical know-how	Straight-line method	The authorization period stipulated in the contract or the period during which is expected to generate economic benefits for the company	5-10	—
Trademarks	Straight-line method	The period during which is expected to generate economic benefits for the company	20	—
Backlog orders and service contracts	Straight-line method	The period during which services are to be provided as stipulated in the contract	The period during which services are to be provided	—

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.

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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.



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For the year ended 31 December 2025
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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.

Notes to the Financial Statements



For the year ended 31 December 2025
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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

(1) Accounting treatment of short-term benefits

✓ Applicable ☐ Not applicable

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.

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.



Notes to the Financial Statements

For the year ended 31 December 2025
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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.

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For the year ended 31 December 2025
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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.



Notes to the Financial Statements

For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Revenue (continued)

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

When the Group collects amounts of sold goods or services in advance from the customer, the Group will firstly recognise the amounts as liabilities and then transfer to revenue until satisfying relevant performance obligations. When the receipts in advance is non-refundable and the customer may give up all or part of contract right, and the Group is expected to be entitled to obtain amounts associated with contract rights given up by the customer, the above amounts shall be proportionally recognised as revenue in accordance with the model of exercising contract rights by the customer; otherwise, the Group will transfer the relevant balance of the above liability to revenue only when the probability is extremely low for the customer to require the Group to satisfy remaining performance obligations.

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

Notes to the Financial Statements



For the year ended 31 December 2025
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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.



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For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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.

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.

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For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Leases

✓ Applicable ☐ Not applicable

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.

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.

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 allocates 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.



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For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Leases (continued)

Lease classification criteria and accounting treatment as a lessee: (continued)

(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.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Leases (continued)

Lease classification criteria and accounting treatment as a lessee: (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.



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For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Leases (continued)

Lease classification criteria and accounting treatment as a lessee: (continued)

(3) Lease liabilities (continued)

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.

(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

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For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. 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.



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For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. 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.

Deferred tax is generally recognised for all temporary differences. Deferred tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. However, 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.

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For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

(2) Deferred tax assets and deferred tax liabilities (continued)

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.

(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.



Notes to the Financial Statements

For the year ended 31 December 2025
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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

✓ Applicable ☐ Not applicable

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.

Notes to the Financial Statements



For the year ended 31 December 2025
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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

☒ Applicable ☐ Not applicable

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

For details, please refer to "Notes on changes in accounting policies and accounting estimates, and reason and impact of corrections of major accounting errors" in the "Significant matters" section.

37. 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

38. Others

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
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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 payable	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

Taxpayer Name	Income Tax Rate(%)
SMD Ltd. ("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%.

Notes to the Financial Statements



For the year ended 31 December 2025
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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"), Specialist Machine Developments (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

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, CRRC EV Semiconductor, 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, 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 2023 and 2024. Chongqing CRRC Electric and Wuxi CRRC Electric Drive obtained the high-tech enterprise certificate in November and December 2023, and will be subject to an enterprise income tax at a reduced 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") 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)

According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Implementation of Inclusive Tax Reduction and Exemption Policies for Small and Micro Enterprises (Cai Shui [2019] No. 13) and the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Businesses (Cai Shui [2023] No. 12), the Company's subsidiary, Yixing CRRC EV Semiconductor Co., Ltd. (hereinafter referred to as "Yixing Semiconductor"), qualifies as a small and micro-profit enterprise for the years 2024 and 2025. For these years, the taxable income up to RMB 1 million will be subject to a 25% reduction and taxed at a rate of 20%. For taxable income exceeding RMB 1 million but not exceeding RMB 3 million, the excess portion will be subject to a 50% reduction and taxed at a rate of 20%.

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"), 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

Notes to the Financial Statements



For the year ended 31 December 2025
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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	18,778	15,907
Bank deposits	5,800,504,894	6,694,340,232
Other monetary funds	898,651,427	1,981,380,055
Cash deposited in the finance company	14,687,473	1,976,443,020
Total	6,713,862,572	10,652,179,214
Including: Total funds deposited overseas	301,107,651	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
Security deposits of the bank acceptances	446,529,211	483,602,182
Project supervision funds	451,936,433	108,128,489
Equity repurchase securities account funds	185,783	1,389,626,376
Total	898,651,427	1,981,380,055



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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>1,425,639,849</u>	<u>1,033,226,342</u>

Other information:

None.

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>1,000,300,274</u>	3,533,861,455	/
Including:			
Structured deposits	<u>1,000,300,274</u>	<u>3,533,861,455</u>	/
Total	<u>1,000,300,274</u>	<u>3,533,861,455</u>	/

Other information:

☒ Applicable ☐ Not applicable

The Group's financial assets at fair value through profit or loss are mainly structured deposits held by the Group. As at 31 December 2025, the yield rate per annum of structured deposits held by the Group ranges from 0.65% to 2.20% (31 December 2024: 1.17% to 3.37%).

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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	744,695,576	148,287,792
Commercial acceptances	4,057,215,968	3,010,339,994
Acceptance bill of CRRC Finance Co., Ltd	497,343,105	69,759,641
Less: Provision for credit loss	4,989,418	3,798,831
Total	5,294,265,231	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	—	62,737,645
Commercial acceptances	—	137,125,000
Total	—	199,862,645

The Group believes that it retains almost all the risks and rewards inherent in the ownership of these endorsed notes receivable, such as default risk. Consequently, the Group continues to recognize the carrying amount of these endorsed notes and the corresponding accounts payable that has been settled.



Notes to the Financial Statements

For the year ended 31 December 2025
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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	Gross carrying amount		Closing balance			Gross carrying amount		Opening balance		
			Credit loss allowance		Book value			Credit loss allowance		Book value
	Amount	Percentage (%)	Amount	Proportion of provision (%)		Amount	Percentage (%)	Amount	Proportion of provision (%)	
Provision on portfolio basis including:	5,299,254,649	100.00	4,989,418	0.09	5,294,265,231	3,228,387,427	100.00	3,798,831	0.12	3,224,588,596
Commercial acceptances	4,057,215,968	76.56	4,989,418	0.12	4,052,226,550	3,010,339,994	93.25	3,798,831	0.13	3,006,541,163
Bank acceptances	744,695,576	14.05	-	-	744,695,576	148,287,792	4.59	-	-	148,287,792
Acceptance bill of CRRC Finance Co., Ltd	497,343,105	9.39	-	-	497,343,105	69,759,641	2.16	-	-	69,759,641
Total	5,299,254,649	100.00	4,989,418	0.09	5,294,265,231	3,228,387,427	100.00	3,798,831	0.12	3,224,588,596

Bank acceptances

As at 31 December 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:

☒ Applicable ☐ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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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)

2025

Unit: Yuan Currency: RMB

Item	Closing balance		Expected average loss rate (%)
	Gross carrying amount	Provision for credit loss	
Bank acceptances	744,695,576	—	—
Acceptance bill of CRRC Finance Co., Ltd	497,343,105	—	—
Receivables from central state-owned enterprise except State Railway Group	3,534,887,736	3,710,888	0.10
Receivables from local government or local state-owned enterprise	80,690,400	806,904	1.00
Receivables from State Railway Group (Note)	440,728,915	440,729	0.10
Receivables from other customers	908,917	30,897	3.40
Total	5,299,254,649	4,989,418	

2024

Unit: Yuan Currency: RMB

Item	Closing 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	



Notes to the Financial Statements

For the year ended 31 December 2025
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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)

Analysis of bills 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

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

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Bills receivable (continued)

(5) Provision for credit loss of bills receivable:

☒ Applicable ☐ Not applicable

2025

Unit: Yuan Currency: RMB

Category	Change amount in the current period					Closing balance
	Opening balance	Provision	Recoveries or reversals	Transfers out or written-off	Other changes	
Commercial acceptances	3,798,831	5,517,317	4,406,730	–	80,000	4,989,418
Total	3,798,831	5,517,317	4,406,730	–	80,000	4,989,418

2024

Unit: Yuan Currency: RMB

Category	Change amount in the current period					Closing balance
	Opening balance	Provision	Recoveries or reversals	Transfers out or written-off	Other changes	
Commercial acceptances	2,599,116	3,979,807	2,180,092	600,000	–	3,798,831
Total	2,599,116	3,979,807	2,180,092	600,000	–	3,798,831

Significant recoveries or reversals during the period:

☐ Applicable ☒ Not applicable

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2025
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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 bills receivable:

☐ Applicable ☒ Not applicable

Description of bills receivable write-offs:

☐ Applicable ☒ Not applicable

Other information:

☒ Applicable ☐ Not applicable

As at 31 December 2025, bills receivable due from related parties of the Group are set out in Note XIV.6.

Notes to the Financial Statements



For the year ended 31 December 2025
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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 1 year	11,671,079,582	10,438,255,415
Among them: Sub-items within 1 year		
Within 6 months	10,769,068,474	9,167,231,770
6 months to 1 year	902,011,108	1,271,023,645
1 to 2 years	928,713,858	1,249,736,606
2 to 3 years	376,299,570	459,066,671
Over 3 years	416,804,391	286,206,933
Total	13,392,897,401	12,433,265,625
Less: Provision for credit loss	1,135,454,561	820,880,052
Book Value	12,257,442,840	11,612,385,573

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



Notes to the Financial Statements

For the year ended 31 December 2025
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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	Gross carrying amount		Closing balance Credit loss allowance		Book value	Gross carrying amount		Opening balance Credit loss allowance		Book value
	Amount	Percentage (%)	Amount	Proportion of provision (%)		Amount	Percentage (%)	Amount	Proportion of provision (%)	
Provision on individual basis	231,932,540	1.73	231,932,540	100.00	–	206,911,652	1.66	95,735,641	46.27	111,176,011
Provision on portfolio basis	13,160,964,861	98.27	903,522,021	6.87	12,257,442,840	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	6,684,582,962	49.91	204,599,321	3.06	6,479,983,641	6,042,653,357	48.60	117,308,069	1.94	5,925,345,288
Receivables from local government or local state-owned enterprise	2,316,960,558	17.30	542,717,288	23.42	1,774,243,270	2,696,354,561	21.69	491,921,167	18.24	2,204,433,394
Receivables from State Railway Group	1,474,085,721	11.01	7,153,931	0.49	1,466,931,790	1,548,375,625	12.45	7,845,274	0.51	1,540,530,351
Receivables from other customers	2,685,335,620	20.05	149,051,481	5.55	2,536,284,139	1,938,970,430	15.60	108,069,901	5.57	1,830,900,529
Total	13,392,897,401	100.00	1,135,454,561	/	12,257,442,840	12,433,265,625	100.00	820,880,052	/	11,612,385,573

Notes to the Financial Statements



For the year ended 31 December 2025
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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		
		Provision for credit loss	Proportion of provision (%)	Reason for provision
Client 121496	123,462,738	123,462,738	100	Low probability of recovery
Client 122664	27,094,913	27,094,913	100	Low probability of recovery
Client 124285	16,035,328	16,035,328	100	Low probability of recovery
Client 123950	10,648,800	10,648,800	100	Low probability of recovery
Others	54,690,761	54,690,761	100	Low probability of recovery
Total	<u>231,932,540</u>	<u>231,932,540</u>	<u>100</u>	/

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



Notes to the Financial Statements

For the year ended 31 December 2025
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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

2025

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	5,838,197,557	106,868,793	1.83
6 months to 1 year	327,162,362	7,024,481	2.15
1 to 2 years	328,099,489	27,740,694	8.45
2 to 3 years	119,976,256	22,085,791	18.41
Over 3 years	71,147,298	40,879,562	57.46
Total	6,684,582,962	204,599,321	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing 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	

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

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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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

2025

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,120,475,502	116,766,510	10.42
6 months to 1 year	349,839,031	59,732,359	17.07
1 to 2 years	382,232,563	116,568,564	30.50
2 to 3 years	197,175,547	94,023,213	47.69
Over 3 years	267,237,915	155,626,642	58.24
Total	2,316,960,558	542,717,288	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing 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	



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable (continued)

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

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

☐ Applicable ☒ Not applicable

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

2025

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,322,393,374	4,981,577	0.38
6 months to 1 year	113,622,404	877,644	0.77
1 to 2 years	32,587,908	647,109	1.99
2 to 3 years	4,981,906	470,004	9.43
Over 3 years	500,129	177,597	35.51
Total	1,474,085,721	7,153,931	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing 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	

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

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

2025

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	2,431,831,162	99,712,538	4.10
6 months to 1 year	110,091,127	10,730,477	9.75
1 to 2 years	78,467,986	13,300,781	16.95
2 to 3 years	43,608,783	14,243,648	32.66
Over 3 years	21,336,562	11,064,037	51.85
Total	2,685,335,620	149,051,481	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing 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	



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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

4. Accounts receivable (continued)

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

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

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

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

4. Accounts receivable (continued)

(3) Provision for credit loss of accounts receivable

✓ Applicable ☐ Not applicable

2025

Unit: Yuan Currency: RMB

Item	Change amount in the current period						Others	Closing balance
	Opening balance	Transferred to credit-impaired losses	Provision	Recoveries or reversals	Transfers out or written-off	Differences resulting from the translation of foreign currency financial statements		
Lifetime ECL (Not credit – impaired)	310,417,401	-158,257,148	254,408,997	-	-	76,271	48,858	406,694,379
Lifetime ECL (Credit – impaired)	510,462,651	158,257,148	72,344,991	11,482,230	822,378	-	-	728,760,182
Total	820,880,052	-	326,753,988	11,482,230	822,378	76,271	48,858	1,135,454,561

2024

Unit: Yuan Currency: RMB

Item	Change amount in the current period						Others	Closing balance
	Opening balance	Transferred to credit-impaired losses	Provision	Recoveries or reversals	Transfers out or written-off	Differences resulting from the translation of foreign currency financial statements		
Lifetime ECL (Not credit – impaired)	249,642,184	-50,707,717	108,889,194	-	-	2,593,740	-	310,417,401
Lifetime ECL (Credit – impaired)	271,060,059	50,707,717	193,112,799	1,624,590	-	-	-2,793,334	510,462,651
Total	520,702,243	-	302,001,993	1,624,590	-	2,593,740	-2,793,334	820,880,052

Significant recoveries or reversals during the current period:

☐ Applicable ✓ Not applicable

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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

Unit: Yuan Currency: RMB

Item	Written-off amount
Accounts receivable written off	<u>822,378</u>

Significant accounts receivable write-offs:

☐ Applicable ☒ Not applicable

Description of accounts receivable write-offs:

☒ Applicable ☐ Not applicable

The customer has entered liquidation and it is expected to be difficult to collect the payment.

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

4. Accounts receivable (continued)

(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	Closing balance of accounts receivable and contract assets	Proportion to total accounts receivable and contract assets(%)	Closing provision for credit loss
Client 100507	1,372,297,718	32,646,807	1,404,944,525	8.89	32,013,711
Client 100928	810,839,408	–	810,839,408	5.13	19,035,523
Client 110081	583,895,098	2,895,200	586,790,298	3.71	2,837,893
Client 103233	95,645,362	329,863,717	425,509,079	2.69	106,123,463
Client 123484	360,935,208	8,357,946	369,293,154	2.34	9,220,463
Total	<u>3,223,612,794</u>	<u>373,763,670</u>	<u>3,597,376,464</u>	<u>22.76</u>	<u>169,231,053</u>

Other information:

None

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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
Contract assets related to sales contracts	2,059,073,141	211,843,987	1,847,229,154	1,742,828,286	110,479,156	1,632,349,130
Contract assets of engineering business	352,432,988	4,949,438	347,483,550	273,566,357	5,042,743	268,523,614
Less: Contract assets included in other non-current assets (Note VII. 21)	-1,271,967,294	-150,224,173	-1,121,743,121	-965,628,237	-60,248,484	-905,379,753
Total	1,139,538,835	66,569,252	1,072,969,583	1,050,766,406	55,273,415	995,492,991

Under the Group's sales contracts, partial payments are agreed to be made proportionally at different stages. The Group recognizes revenue upon the acceptance and transfer of goods. The right to receive consideration that does not constitute an unconditional right to receive payment is recognized as a contract asset, which is presented as contract assets or other non-current assets based on liquidity.

For construction contracts related to certain offshore engineering products such as deep-sea robots built by the Group, revenue is recognized according to the progress of performance. The portion of consideration exceeding the amount settled by customers forms a contract asset, as the conditions stipulated in the contract for receiving contract consideration have not yet been met. Such contract assets are presented as contract assets or other non-current assets based on liquidity.

When the Group obtains an unconditional right to receive consideration, the related contract asset is reclassified to accounts receivable.

Notes to the Financial Statements



For the year ended 31 December 2025
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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

Unit: Yuan Currency: RMB

Item	Balance at the end of the period			Provision reason
	Carrying amount	Provision for bad debts	Provision ratio(%)	
Other customers	380,000	380,000	100	Low probability of recovery
Total	380,000	380,000	100	/

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



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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

5. Contract assets (continued)

(3) Disclosure by bad debt accrual method (continued)

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

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

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Changes during the period			Differences resulting from the translation of foreign currency financial statements	Reason
	Provision during the period	Reversals during the period	Transfer out/ written-off		
Lifetime ECL					
– Not credit impaired	57,212,119	45,536,505	–	69,295	/
Lifetime ECL					
– Credit impaired	–	449,072	–	–	/
Total	57,212,119	45,985,577	–	69,295	/

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

☐ Applicable ☒ Not applicable

Other information:

As at 31 December 2025, book value of contract assets of related parties of the Group are set out in Note XIV,6.

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

5. Contract assets (continued)

(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

6. Trade receivables financing

(1) Presentation of trade receivables financing classifications:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bills receivable measured at fair value	2,261,951,533	1,286,784,981
Trade receivable measured at fair value	1,431,402,947	2,534,918,377
Total	3,693,354,480	3,821,703,358

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

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cost	3,744,373,606	3,879,171,198
Carrying amount	3,693,354,480	3,821,703,358
Accumulated changes in fair value	-51,019,126	-57,467,840



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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

6. Trade receivables financing (continued)

(3) Trade receivable financing pledged at the end of the period

☐ Applicable ☒ Not applicable

(4) Trade receivable financing 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	2,193,485,836	—
Commercial acceptances	18,839,184	—
Total	2,212,325,020	—

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

6. Trade receivables financing (continued)

(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



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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) Trade 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 31 December 2025, trade receivables financing due from related parties of the Group are set out in Note XIV. 6

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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	685,707,002	91.51	491,170,562	84.41
1 to 2 years	50,244,215	6.71	68,403,861	11.76
2 to 3 years	3,620,078	0.48	18,731,073	3.22
Over 3 years	9,761,818	1.30	3,557,896	0.61
Total	749,333,113	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:

None



Notes to the Financial Statements

For the year ended 31 December 2025
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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 800511	129,923,606	17.34
Supplier 739152	33,034,140	4.41
Supplier 801158	30,595,587	4.08
Supplier 729393	29,841,973	3.98
Supplier 801150	26,672,094	3.56
Total	250,067,400	33.37

Other information:

None

Other information

☒ Applicable ☐ Not applicable

As at 31 December 2025, prepayments made to related parties of the Group are set out in Note XIV.6.

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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	240,000	—
Other receivables	233,690,619	247,407,254
Total	233,930,619	247,407,254

Other information:

✓ Applicable ☐ Not applicable

As at 31 December 2025, other receivables due from related parties of the Group are set out in Note XIV.6.



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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

(4) Provision for bad debts based on the general model of expected credit losses

☐ Applicable ☒ Not applicable

Basis for division of each stage and provision ratio for bad debts

None

Description of significant movements in the carrying amount of interests receivable which have seen changes in loss allowance in the current period:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

8. Other receivables (continued)

Interest receivable (continued)

(5) 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

(6) 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

Unit: Yuan Currency: RMB

Item (or investee)	Balance at the end of the period	Balance at the beginning of the period
Foshan Zhongshi Zhihui Transportation Technology Co., Ltd.	240,000	—
Total	240,000	—



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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

8. Other receivables (continued)

Dividends receivable (continued)

(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

(4) Provision for bad debts based on the general model of expected credit losses

☐ Applicable ☒ Not applicable

Basis for division of each stage and provision ratio for bad debts

None

Description of significant movements in the carrying amount of interests receivable which have seen changes in loss allowance in the current period:

☐ Applicable ☒ Not applicable

(5) 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

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

8. Other receivables (continued)

Dividends receivable (continued)

(6) 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

Other receivables

(1) Other receivables disclosed by aging

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 1 year	122,431,494	129,013,904
Including: subitems within 1 year		
Within 6 months	100,822,665	88,026,151
6 months to 1 year	21,608,829	40,987,753
1 to 2 years	26,455,895	66,420,164
2 to 3 years	50,610,603	21,224,291
Over 3 years	52,467,548	46,226,307
Less: Credit loss allowance for other receivables	18,274,921	15,477,412
Total	233,690,619	247,407,254



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Dividends receivable (continued)

(2) Other receivables categorized by nature

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deposits and guarantees	114,589,920	151,212,400
Others	137,375,620	111,672,266
Total	251,965,540	262,884,666

(3) Details of provision for credit loss allowance

☒ Applicable ☐ Not applicable

2025

Unit: Yuan Currency: RMB

	Phase 1 12-month ECL	Phase 2 Lifetime ECL – Not credit impaired	Phase 3 Lifetime ECL – Credit impaired	Total
Credit loss allowance				
Balance at 1 January 2025	15,477,412	–	–	15,477,412
The balance is in the current period on				
January 1, 2025	–	–	–	–
– Transfer to Phase 2	–	–	–	–
– Transfer to Phase 3	–	–	–	–
– Transfer back to Phase 2	–	–	–	–
– Transfer back to Phase 1	–	–	–	–
Provision	8,740,935	–	497,391	9,238,326
Reversal	6,440,817	–	–	6,440,817
Transfer out	–	–	–	–
Written-off	–	–	–	–
Other changes	–	–	–	–
Balance at 31 December 2025	17,777,530	–	497,391	18,274,921

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Dividends receivable (continued)

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

2024

Unit: Yuan Currency: RMB

	Phase 1	Phase 2	Phase 3	Total
		Lifetime ECL	Lifetime ECL	
		– Not credit	– Credit	
Credit loss allowance	12-month ECL	impaired	impaired	
Balance at 1 January 2024	10,593,496	–	–	10,593,496
The balance is in the current period on				
January 1, 2024	–	–	–	–
– Transfer to Phase 2	–	–	–	–
– Transfer to Phase 3	–	–	–	–
– Transfer back to Phase 2	–	–	–	–
– Transfer back to Phase 1	–	–	–	–
Provision	8,939,832	–	–	8,939,832
Reversal	4,055,916	–	–	4,055,916
Transfer out	–	–	–	–
Written-off	–	–	–	–
Other changes	–	–	–	–
Balance at 31 December 2024	<u>15,477,412</u>	<u>–</u>	<u>–</u>	<u>15,477,412</u>

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

None

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



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Dividends receivable (continued)

(4) Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Movements during the period			Closing Balance
	Opening balance	Recognise	Recover or Reserve	
loss allowance for other receivables	15,477,412	9,238,326	6,440,817	18,274,921
Total	15,477,412	9,238,326	6,440,817	18,274,921

Significant recoveries or reversals during the current 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 receivable write-offs:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Dividends receivable (continued)

(6) Top five other receivables categorised by debtors

✓ Applicable □ Not applicable

2025

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 15	35,840,612	14.22	Other	Within 1 year and 1 to 2 years and 2 to 3 years	–
Customer 129596	32,843,702	13.03	Other	2 to 3 years	7,775,224
Customer 103233	23,133,170	9.18	Deposits and guarantees	2 to 3 years	4,241,252
Customer 130148	16,278,053	6.46	Other	Within 1 year	270,277
Customer 126515	15,000,000	5.95	Deposits and guarantees	3 to 4 years	1,574,170
Total	123,095,537	48.84	/	/	13,860,923

2024

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 129596	42,408,602	16.13	Others	1 to 2 years	5,318,809
Customer 103233	34,084,370	12.97	Deposits and guarantees	1 to 2 years and above 5 years	4,274,799
Customer 15	20,976,600	7.98	Others	Within 1 year and 1 to 2 years	–
Customer 112815	16,182,670	6.16	Deposits and guarantees	Within 1 year	219,114
Customer 126515	15,000,000	5.71	Deposits and guarantees	4 to 5 years	1,495,995
Total	128,652,242	48.95	/	/	11,308,717



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Dividends receivable (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		Gross carrying amount	Opening balance	
		Provision for inventory/ Provision for impairment of contract performance costs	Book Value		Provision for inventory/ Provision for impairment of contract performance costs	Book Value
Raw materials	2,115,430,684	100,761,720	2,014,668,964	1,045,023,942	100,853,521	944,170,421
Work in progress	2,568,187,857	131,328,255	2,436,859,602	2,130,081,222	140,389,246	1,989,691,976
Finished goods	4,189,546,847	67,246,818	4,122,300,029	4,046,503,047	23,660,381	4,022,842,666
Turnover materials	144,251,534	12,310,712	131,940,822	113,139,336	6,264,371	106,874,965
Total	9,017,416,922	311,647,505	8,705,769,417	7,334,747,547	271,167,519	7,063,580,028

(2) Data resources recognized as inventory

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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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

2025

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	12,674,372	14,210,491	-1,444,318	100,761,720
Work in progress	140,389,246	45,705,361	55,730,940	-964,588	131,328,255
Finished goods	23,660,381	47,389,593	3,919,686	-116,530	67,246,818
Turnover materials	6,264,371	6,046,341	—	—	12,310,712
Total	271,167,519	111,815,667	73,861,117	-2,525,436	311,647,505

2024

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	140,411,666	23,532,740	63,214,887	-124,002	100,853,521
Work in progress	78,642,278	77,915,562	16,266,599	-98,005	140,389,246
Finished goods	32,177,584	9,887,898	18,417,256	-12,155	23,660,381
Turnover materials	2,592,923	3,671,784	336	—	6,264,371
Total	253,824,451	115,007,984	97,899,078	-234,162	271,167,519



Notes to the Financial Statements

For the year ended 31 December 2025
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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: (continued)

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

Notes to the Financial Statements



For the year ended 31 December 2025
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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

Items	Closing balance	Opening balance
Certificate of deposits due within one year	1,012,313,011	2,628,347,569
Deposits and security deposits due within 1 year	119,772,519	—
Total	1,132,085,530	2,628,347,569

(1) Supplier deposits due within 1 year

Items	2025			2024		
	Gross Carrying amount	Impairment allowance	Net carrying amount	Gross Carrying amount	Impairment allowance	Net carrying amount
Supplier deposits due within 1 year	122,760,089	-2,987,570	119,772,519	—	—	—

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



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Other current assets

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT retained for deduction	832,732,375	862,104,123
Other taxes prepaid	3,658,271	187,229,476
Certificate of deposits ("CDs")	150,471,951	1,022,607,338
Total	986,862,597	2,071,940,937

Other information

None

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

2025

Unit: Yuan Currency: RMB

Name of investees	Balance at 1 January 2025	Increasing investment	Decreasing investment	Changes for the period Investment income or loss recognised under equity method	Profits declared to be distributed	Disposal	Impairment provision at 31 December 2025
I. Joint ventures							
Zhuzhou Shiling Transportation Equipment Co., Ltd. ("Shiling")	112,115,525	-	-	-3,182,383	-	-	108,933,142
Zhejiang Times LANP New Energy Co., Ltd. ("Zhejiang LANP")	4,910,899	-	-	-4,910,899	-	-	-
Shanghai Shentong CRRC Rail Transit Operation Safety Engineering Technology Research Co., Ltd. ("Shanghai shenzhong")	8,846,894	-	-	-327,162	200,000	-	8,319,732
Zhengzhou Times Transportation Electrical Equipment Co., Ltd. ("Zhengzhou Times")	17,523,341	-	-	603,153	3,750,000	-	14,376,494
Guangzhou Qinglan Semiconductor Co., Ltd. ("Qinglan Semiconductor")	121,998,449	-	-	-6,767,990	-	-	115,230,459
Sub-total	265,395,108	-	-	-14,585,281	3,950,000	-	246,859,827
II. Associates							
Siemens Traction Equipment Ltd., Zhuzhou ("Zhuzhou Siemens")	46,993,480	-	-	-116,131	-	-	46,877,349
Hunan Guoxin Semiconductor Technology Co., Ltd. ("CRRC Guoxin Technology")	51,657,931	-	25,000,000	340,569	-	744,098	26,254,402
Hunan Times Wabtec Transit Transport & Equipment Co., Ltd. ("Times Wabtec")	18,491,464	-	-	-73,954	1,000,000	-	17,417,510
Zhixin Semiconductor Co., Ltd. ("Zhixin Semiconductor")	139,816,009	-	-	1,535,080	374,965	-	140,976,124
CRRC India Private Limited ("CRRC India")	12,046,795	-	-	19,180	-	-	12,065,975
Wuxi Times Smart Transportation Institute Co., Ltd. ("Wuxi Times")	26,737,111	-	-	-409,023	-	-	26,328,088
Foshan Zhongshi Zhihui Transportation Technology Co., Ltd. ("Foshan Zhongshi")	8,194,271	-	-	-179,369	280,000	-	7,734,902
Guangzhou High-speed Rail Technology Co., Ltd. ("Guangzhou High-speed")	3,112,251	-	-	1,037,806	-	-	4,150,057
Sub-total	307,049,312	-	25,000,000	2,154,158	1,654,965	744,098	281,804,407
Total	572,444,420	-	25,000,000	-12,431,123	5,604,965	744,098	528,664,234



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Long-term equity investments (continued)

(1) Status of long-term equity investments (continued)

2024

Unit: Yuan Currency: RMB

Name of investees	Balance at 1 January 2024	Increasing investment	Changes for the period		Disposal	Impairment provision at 31 December 2024
			Investment income or loss recognised under equity method	Profits declared to be distributed		
I. Joint ventures						
Zhuzhou Shiling Transportation Equipment Co., Ltd. ("Shiling")	109,381,567	-	2,733,958	-	-	112,115,525
Zhejiang Times LANP New Energy Co., Ltd. ("Zhejiang LANP")	9,057,178	-	-4,146,279	-	-	4,910,899
Shanghai Shentong CRRC Rail Transit Operation Safety Engineering Technology Research Co., Ltd ("Shanghai shenzhong")	8,246,894	-	600,000	-	-	8,846,894
Zhengzhou Times Transportation Electrical Equipment Co., Ltd. ("Zhengzhou Times")	13,763,684	-	3,779,639	19,982	-	17,523,341
Guangzhou Qinglan Semiconductor Co., Ltd. ("Qinglan Semiconductor")	136,258,491	-	-14,260,042	-	-	121,998,449
Sub-total	276,707,814	-	-11,292,724	19,982	-	265,395,108
II. Associates						
Siemens Traction Equipment Ltd., Zhuzhou ("Zhuzhou Siemens")	47,056,480	-	-63,000	-	-	46,993,480
Hunan Guoxin Semiconductor Technology Co., Ltd. ("CRRC Guoxin Technology")	53,236,290	-	550,000	2,128,359	-	51,657,931
Hunan Times Wabtec Transit Transport & Equipment Co., Ltd. ("Times Wabtec")	16,351,096	-	2,140,368	-	-	18,491,464
Zhixin Semiconductor Co., Ltd. ("Zhixin Semiconductor")	90,918,273	47,000,000	1,897,736	-	-	139,816,009
CRRC India Private Limited ("CRRC India")	12,042,295	-	4,500	-	-	12,046,795
Wuxi Times Smart Transportation Institute Co., Ltd. ("Wuxi Times")	25,673,111	-	1,872,200	808,200	-	26,737,111
Foshan Zhongshi Zhihui Transportation Technology Co., Ltd. ("Foshan Zhongshi")	8,410,311	-	-216,040	-	-	8,194,271
Guangzhou High-speed Rail Technology Co., Ltd. ("Guangzhou High-speed")	3,015,534	-	96,717	-	-	3,112,251
Sub-total	256,703,390	47,000,000	6,282,481	2,936,559	-	307,049,312
Total	533,411,204	47,000,000	-5,010,243	2,956,541	-	572,444,420

Note: During the reporting period, the Company held a 50% equity interest in Zhejiang LANP. Due to excess losses incurred, the closing carrying amount was nil.

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Long-term equity investments (continued)

(2) Description of derecognition in the current period

☐ Applicable ☒ Not applicable

Other information:

None

13. Other equity instrument investments

(1) Status of other equity 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	-	-	13,180,780	-	-	237,004,300	16,898,352	13,180,780	-	Note 1
CRRC Environmental & Technology Co., Ltd.	30,000,000	-	-	1,073,500	-	-	31,073,500	413,055	1,073,500	-	Note 1
Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	8,000,000	-	-	2,060,800	-	-	10,060,800	40,000	2,060,800	-	Note 1
Jinhua CRRC Rail Vehicle Co., Ltd.	5,000,000	-	-	1,924,100	-	-	6,924,100	547,289	1,924,100	-	Note 1
Total	266,823,520	-	-	18,239,180	-	-	285,062,700	17,898,696	18,239,180	-	/

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.

(2) Description of derecognition in the current period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets

Presented by item

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	11,394,887,172	8,594,961,720
Disposal of fixed assets	—	—
Total	<u>11,394,887,172</u>	<u>8,594,961,720</u>

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

14. Fixed assets (continued)

(1) Details of fixed assets

✓ Applicable □ Not applicable

2025

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	442,323,117	3,285,107,043	6,112,330	245,770,807	3,979,313,297
(1) Additions	80,718,943	1,118,037,969	5,717,587	198,267,270	1,402,741,769
(2) Transfer from construction in progress	359,208,324	2,089,191,507	372,343	46,817,950	2,495,590,124
(3) Translation differences arising from translation of foreign currency financial statements	2,395,850	13,688,321	22,400	685,587	16,792,158
(4) Other additions	—	64,189,246	—	—	64,189,246
3. Decreases	371,130	31,217,814	3,333,285	6,240,705	41,162,934
(1) Disposal or retirement	371,130	31,217,814	3,333,285	6,240,705	41,162,934
(2) Translation differences arising from translation of foreign currency financial statements	—	—	—	—	—
4. Closing balance	4,199,807,351	12,125,358,579	47,247,468	1,121,552,294	17,493,965,692
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	109,948,732	938,252,823	2,803,446	100,552,058	1,151,557,059
(1) Provision	109,323,737	928,372,909	2,790,926	99,995,428	1,140,483,000
(2) Translation differences arising from translation of foreign currency financial statements	624,995	9,879,914	12,520	556,630	11,074,059
3. Decreases	192,152	24,022,367	3,231,719	2,502,746	29,948,984
(1) Disposal or retirement	192,152	24,022,367	3,231,719	2,502,746	29,948,984
(2) Translation differences arising from translation of foreign currency financial statements	—	—	—	—	—
4. Closing balance	911,268,441	4,396,174,667	35,518,685	682,776,680	6,025,738,473



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. 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	-	16,718,907	-	-	16,718,907
(1) Provision	-	16,482,030	-	-	16,482,030
(2) Translation differences arising from translation of foreign currency financial statements	-	236,877	-	-	236,877
3. Decreases	-	102,071	-	-	102,071
(1) Disposal or scrapping	-	102,071	-	-	102,071
4. Closing balance	10,513,264	62,317,523	-	509,260	73,340,047
IV. Carrying amount					
1. Carrying amount at the end of the period	3,278,025,646	7,666,866,389	11,728,783	438,266,354	11,394,887,172
2. Carrying amount at the beginning of the period	2,945,830,239	5,343,824,452	8,521,465	296,785,564	8,594,961,720

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(1) Details of fixed assets (continued)

2024

Unit: Yuan Currency: RMB

Item	Plants and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
I. Cost					
1. Opening balance	2,097,646,662	6,560,657,185	42,690,107	756,509,842	9,457,503,796
2. Increases	1,668,073,335	2,358,486,890	4,393,367	132,185,209	4,163,138,801
(1) Additions	11,756,672	544,239,165	4,383,786	102,250,543	662,630,166
(2) Transfer from construction in progress	1,656,083,082	1,811,897,389	8,850	29,209,044	3,497,198,365
(3) Translation differences arising from translation of foreign currency financial statements	233,581	2,350,336	731	725,622	3,310,270
3. Decreases	7,864,633	47,674,725	2,615,051	6,672,859	64,827,268
(1) Disposal or retirement	7,864,633	46,797,327	2,615,051	5,652,353	62,929,364
(2) Translation differences arising from translation of foreign currency financial statements	—	877,398	—	1,020,506	1,897,904
4. Closing balance	3,757,855,364	8,871,469,350	44,468,423	882,022,192	13,555,815,329
II. Accumulated depreciation					
1. Opening balance	731,832,079	2,835,619,537	37,268,547	503,559,491	4,108,279,654
2. Increases	77,093,969	686,529,658	747,075	86,638,999	851,009,701
(1) Provision	76,764,544	684,944,588	746,344	86,167,682	848,623,158
(2) Translation differences arising from translation of foreign currency financial statements	329,425	1,585,070	731	471,317	2,386,543
3. Decreases	7,414,187	40,204,984	2,068,664	5,471,122	55,158,957
(1) Disposal or retirement	7,414,187	39,588,399	2,068,664	4,580,823	53,652,073
(2) Translation differences arising from translation of foreign currency financial statements	—	616,585	—	890,299	1,506,884
4. Closing balance	801,511,861	3,481,944,211	35,946,958	584,727,368	4,904,130,398



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For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. 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	41,625,778	–	–	52,139,042
2. Increases	–	6,672,193	–	509,260	7,181,453
(1) Provision	–	6,670,221	–	509,260	7,179,481
(2) Translation differences arising from translation of foreign currency financial statements	–	1,972	–	–	1,972
3. Decreases	–	2,597,284	–	–	2,597,284
(1) Disposal or scrapping	–	2,597,284	–	–	2,597,284
4. Closing balance	10,513,264	45,700,687	–	509,260	56,723,211
IV. Carrying amount					
1. Carrying amount at the end 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. Carrying amount at the beginning of the period	<u>1,355,301,319</u>	<u>3,683,411,870</u>	<u>5,421,560</u>	<u>252,950,351</u>	<u>5,297,085,100</u>

(2) Fixed assets temporary idle

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. 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	233,976,851	565,962,671
Machinery & equipment	3,697,188	—
Office & other equipment	155,631	—
Motor Vehicles	1,106	—
Total	237,830,776	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



Notes to the Financial Statements

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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	3,463,141,312	2,312,618,688
Construction materials	—	—
Total	3,463,141,312	2,312,618,688

Other information:

☐ Applicable ✓ Not applicable

Construction in progress

(1) Details of construction in progress:

✓ 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
Industrialization of Medium and Low Voltage Power Devices (Yixing) Construction Project	420,198,879	—	420,198,879	1,338,829,325	—	1,338,829,325
Industrialization of Medium and Low Voltage Power Devices Construction Project	2,622,842,974	—	2,622,842,974	109,278,384	—	109,278,384
New Energy Vehicle Electric Drive System and Components Manufacturing Base (Zhuzhou) Construction Project	149,364,976	—	149,364,976	349,402,128	—	349,402,128
Others	271,803,151	1,068,668	270,734,483	515,108,851	—	515,108,851
Total	3,464,209,980	1,068,668	3,463,141,312	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	Translation differences arising from translation of foreign currency financial statements	Closing balance	Proportion of amount injected to the budget (%)	Source of funding
Industrialization of Medium and Low Voltage Power Devices (Yixing) Construction Project	6,771,830,000	1,338,829,325	592,109,151	1,493,540,531	17,199,066	-	-	420,198,879	92	Raised funds and self-raised
Industrialization of Medium and Low Voltage Power Devices Construction Project	5,292,860,000	109,278,384	2,539,296,026	25,731,436	-	-	-	2,622,842,974	50	Self-raised
New Energy Vehicle Electric Drive System and Components Manufacturing Base (Zhuzhou) Construction Project	1,107,990,000	349,402,128	173,181,929	273,621,539	99,597,542	-	-	149,364,976	85	Self-raised
Total	13,172,680,000	1,797,509,837	3,304,587,106	1,792,893,506	116,796,608	-	-	3,192,406,829	/	/

(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

(1). Details of 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

2025

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	–	262,962,834	35,774,255	3,169,495	367,839	302,274,423
(1) Newly added lease	–	260,929,853	34,351,507	3,077,472	367,839	298,726,671
(2) Translation differences of financial statements denominated in foreign currencies	–	2,032,981	1,422,748	92,023	–	3,547,752
3. Decreases	–	63,664,827	9,285,760	3,799,128	858,544	77,608,259
(1) Expiration or termination of the lease contract	–	63,664,827	9,285,760	3,799,128	858,544	77,608,259
(2) Translation differences arising from translation of foreign currency	–	–	–	–	–	–
4. Closing balance	23,535,849	483,328,191	155,713,740	9,666,054	336,240	672,580,074
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	1,547,166	120,550,594	26,211,665	2,854,380	551,854	151,715,659
(1) Provision for the year	1,547,166	119,442,533	25,860,529	2,814,406	551,854	150,216,488
(2) Translation differences of financial statements denominated in foreign currencies	–	1,108,061	351,136	39,974	–	1,499,171
3. Decreases	–	49,890,436	9,285,760	3,799,128	858,544	63,833,868
(1) Expiration or termination of the lease contract	–	49,890,436	9,285,760	3,799,128	858,544	63,833,868
(2) Translation differences arising from translation of foreign currency	–	–	–	–	–	–
4. Closing balance	10,030,980	198,220,623	44,893,967	2,676,018	227,396	256,048,984

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

16. Right-of-use assets (continued)

(1) Details of right-of-use assets (continued)

Item	Land use rights (Note 1)	Plants and buildings	Machinery and equipment	Motor vehicles	Office facilities and others	Total
III. Provision for impairment						
1. Opening balance	-	-	-	-	-	-
2. Closing balance	-	-	-	-	-	-
IV. Carrying amount						
1. Carrying amount at 31 December 2025	<u>13,504,869</u>	<u>285,107,568</u>	<u>110,819,773</u>	<u>6,990,036</u>	<u>108,844</u>	<u>416,531,090</u>
2. Carrying amount at 1 January 2025	<u>15,052,035</u>	<u>156,469,719</u>	<u>101,257,183</u>	<u>6,674,920</u>	<u>292,859</u>	<u>279,746,716</u>

2024

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	284,466,716	107,023,679	12,650,274	826,945	428,503,463
2. Increases	-	96,954,931	29,648,534	3,878,227	-	130,481,692
(1) Newly added lease	-	96,803,563	29,414,615	3,486,657	-	129,704,835
(2) Translation differences of financial statements denominated in foreign currencies	-	151,368	233,919	391,570	-	776,857
3. Decreases	-	97,391,463	7,446,968	6,232,814	-	111,071,245
(1) Expiration or termination of the lease contract	-	97,391,463	7,446,968	6,232,814	-	111,071,245
(2) Translation differences arising from translation of foreign currency	-	-	-	-	-	-
4. Closing balance	<u>23,535,849</u>	<u>284,030,184</u>	<u>129,225,245</u>	<u>10,295,687</u>	<u>826,945</u>	<u>447,913,910</u>



Notes to the Financial Statements

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

16. Right-of-use assets (continued)

(1) Details of right-of-use assets (continued)

Item	Land use rights (Note 1)	Plants and buildings	Machinery and equipment	Motor vehicles	Office facilities and others	Total
II. Accumulated depreciation						
1. Opening balance	6,969,545	116,292,962	18,379,654	5,138,096	288,734	147,068,991
2. Increases	1,514,269	97,794,848	17,035,376	4,115,156	245,352	120,705,001
(1) Provision for the year	1,514,269	97,736,066	16,711,300	3,381,924	245,352	119,588,911
(2) Translation differences of financial statements denominated in foreign currencies	–	58,782	324,076	733,232	–	1,116,090
3. Decreases	–	86,527,345	7,446,968	5,632,485	–	99,606,798
(1) Expiration or termination of the lease contract	–	86,527,345	7,446,968	5,632,485	–	99,606,798
(2) Translation differences arising from translation of foreign currency	–	–	–	–	–	–
4. Closing balance	8,483,814	127,560,465	27,968,062	3,620,766	534,086	168,167,194
III. Provision for impairment						
1. Opening balance	–	–	–	–	–	–
2. Closing balance	–	–	–	–	–	–
IV. Carrying amount						
1. Carrying amount at 31 December 2024	<u>15,052,035</u>	<u>156,469,719</u>	<u>101,257,183</u>	<u>6,674,920</u>	<u>292,859</u>	<u>279,746,716</u>
2. Carrying amount at 1 January 2024	<u>16,566,304</u>	<u>168,173,754</u>	<u>88,644,025</u>	<u>7,512,178</u>	<u>538,211</u>	<u>281,434,472</u>

Note 1: The land use right is the industrial land use right leased by SMD, Ltd ("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 RMB17,933,888.

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

☐ Applicable ☒ Not applicable

Other information:

None

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets

(1) Details of intangible assets

✓ Applicable □ Not applicable

2025

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	106,472,286	59,098,968	130,860,042	10,696,799	-	307,128,095
(1) Additions	6,308,522	24,983,192	-	-	-	31,291,714
(2) Transfer from development expenditure	-	12,354,538	114,122,448	-	-	126,476,986
(3) Transfer from construction in progress	99,597,542	19,317,462	-	-	-	118,915,004
(4) Translation differences arising from translation of foreign currency financial statements	566,222	2,443,776	16,737,594	10,696,799	-	30,444,391
3. Decreases	-	15,883,400	51,717,572	-	-	67,600,972
(1) Disposals or written-offs during the period	-	15,883,400	51,717,572	-	-	67,600,972
(2) Translation differences arising from translation of foreign currency	-	-	-	-	-	-
4. Closing balance	658,408,326	396,706,972	1,682,183,841	138,592,651	57,000,000	2,932,891,790
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	15,282,565	39,279,607	160,064,440	15,908,989	48,857,143	279,392,744
(1) Provision for the year	15,282,565	37,236,439	146,138,853	8,296,881	48,857,143	255,811,881
(2) Translation differences arising from translation of foreign currency	-	2,043,168	13,925,587	7,612,108	-	23,580,863
3. Decreases	-	15,883,384	50,179,453	-	-	66,062,837
(1) Disposals or written-offs during the period	-	15,883,384	50,179,453	-	-	66,062,837
(2) Translation differences arising from translation of foreign currency financial statements	-	-	-	-	-	-
4. Closing balance	91,374,558	255,024,149	967,322,226	138,592,651	57,000,000	1,509,313,584



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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)

Item	Land use rights	Software licences	Patents, licenses and technical know-how	Trademarks	Backlog orders and service contracts	Total
III. Provision for impairment						
1. Opening balance	-	506,859	6,013,134	-	-	6,519,993
2. Increases	-	-	1,538,119	-	-	1,538,119
(1) Provision	-	-	1,538,119	-	-	1,538,119
3. Decreases	-	-	1,538,119	-	-	1,538,119
(1) Disposal	-	-	1,538,119	-	-	1,538,119
4. Closing balance	-	506,859	6,013,134	-	-	6,519,993
IV. Carrying amount						
1. Balance at the end of the period	<u>567,033,768</u>	<u>141,175,964</u>	<u>708,848,481</u>	<u>-</u>	<u>-</u>	<u>1,417,058,213</u>
2. Balance at the beginning of the period	<u>475,844,047</u>	<u>121,356,619</u>	<u>739,590,998</u>	<u>5,212,190</u>	<u>48,857,143</u>	<u>1,390,860,997</u>

2024

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	552,227,819	317,888,906	1,396,585,562	126,409,051	57,000,000	2,450,111,338
2. Increases	2,080,250	35,917,429	206,455,809	1,486,801	-	245,940,289
(1) Additions	1,979,276	24,536,924	-	-	-	26,516,200
(2) Transfer from development expenditure	-	-	206,455,809	-	-	206,455,809
(3) Transfer from construction in progress	-	11,089,602	-	-	-	11,089,602
(4) Translation differences arising from translation of foreign currency financial statements	100,974	290,903	-	1,486,801	-	1,878,678
(5) Other additions	-	-	-	-	-	-
3. Decreases	2,372,029	314,931	-	-	-	2,686,960
(1) Disposals or written-offs during the period	2,372,029	305,794	-	-	-	2,677,823
(2) Translation differences arising from translation of foreign currency	-	9,137	-	-	-	9,137
(3) Other decrease	-	-	-	-	-	-
4. Closing balance	<u>551,936,040</u>	<u>353,491,404</u>	<u>1,603,041,371</u>	<u>127,895,852</u>	<u>57,000,000</u>	<u>2,693,364,667</u>

Notes to the Financial Statements



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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)

Item	Land use rights	Software licences	Patents, licenses and technical know-how	Trademarks	Backlog orders and service contracts	Total
II. Accumulated amortisation						
1. Opening balance	66,433,010	200,819,032	677,337,306	89,831,786	8,142,857	1,042,563,991
2. Increases	10,837,091	31,077,140	180,099,933	32,851,876	–	254,866,040
(1) Provision for the year	10,837,091	30,838,947	180,099,933	31,705,800	–	253,481,771
(2) Translation differences arising from translation of foreign currency	–	238,193	–	1,146,076	–	1,384,269
(3) Other decrease	–	–	–	–	–	–
3. Decreases	1,178,108	268,246	–	–	–	1,446,354
(1) Disposals or written-offs during the period	1,178,108	261,898	–	–	–	1,440,006
(2) Translation differences arising from translation of foreign currency financial statements	–	6,348	–	–	–	6,348
(3) Other decrease	–	–	–	–	–	–
4. Closing balance	76,091,993	231,627,926	857,437,239	122,683,662	8,142,857	1,295,983,677
III. Provision for impairment						
1. Opening balance	–	506,859	6,013,134	–	–	6,519,993
2. Increases	–	–	–	–	–	–
3. Decreases	–	–	–	–	–	–
(1) Disposal	–	–	–	–	–	–
4. Closing balance	–	506,859	6,013,134	–	–	6,519,993
IV. Carrying amount						
1. Balance at the end of the period	475,844,047	121,356,619	739,590,998	5,212,190	48,857,143	1,390,860,997
2. Balance at the beginning of the period	485,794,809	116,563,015	713,235,122	36,577,265	48,857,143	1,401,027,354

Intangible assets generated through the Company's internal research and development accounted for 35.39% of the balance of intangible assets at the end of the current period, as compared with 33.84% at the end of the prior period.



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets (continued)

(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 31 December 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.

Notes to the Financial Statements



For the year ended 31 December 2025
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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	Increases/ Decreases 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	20,995,618	553,156,259
Electric drive operations	31,133,876	—	31,133,876
Total	623,583,008	20,995,618	644,578,626

(2) Provision for impairment of goodwill

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of investee or events forming goodwill	Opening balance	Increases/ Decreases 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	—	—	—
CRRC Times Electronics	—	—	—
SMD	346,093,762	13,654,622	359,748,384
Electric drive operations	—	—	—
Total	392,611,720	13,654,622	406,266,342



Notes to the Financial Statements

For the year ended 31 December 2025
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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 SMD, Canada Dynex, CRRC Times Electronics, Ningbo CRRC Times 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

Notes to the Financial Statements



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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

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

Unit: Yuan Currency: RMB

Item	Carrying amount	Recoverable amount	Impairment amount	Length of forecast period	Key parameters for the forecast period (growth rate and profit margin, etc.)	Basis for determining the key parameters for the forecast period	Key parameters for the stable period (growth rate, profit margin, discount rate, etc.)	Basis for determining the key parameters for the stable period
SMD	518,267,778	581,769,549	-	2026-2030	The income growth rate is 4.98% -11.11%, the gross profit margin is 29.90% - 30.40%, and the discount rate after tax is 12.14%	The income growth rate and gross profit margin are based on historical operating conditions and predictions for market development; The discount rate is estimated based on the weighted average capital cost.	The income growth rate is 0.00%, gross profit margin is 30.40%, and the discount rate after tax is 12.14%	The income growth rate and gross profit margin are based on historical operating conditions and predictions for market development; The discount rate is estimated based on the weighted average capital cost.
Total	<u>518,267,778</u>	<u>581,769,549</u>	<u>-</u>	/	/	/	/	/

Note: When estimating the present value of cash flows, the cash flows for the next five years are derived from the financial budget approved by management. Cash flows beyond the fifth year are assumed to remain stable, and the pre-tax discount rate is determined by reference to comparable companies and their respective capital structures.

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



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Goodwill (continued)

(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	Closing balance
Leasehold improvement	17,940,557	12,764,984	7,348,851	23,356,690
Total	17,940,557	12,764,984	7,348,851	23,356,690

Other information:

None

Notes to the Financial Statements



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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	1,491,194,271	234,959,445	1,210,582,435	190,332,565
Provision for credit loss	1,157,754,604	174,852,329	824,185,766	124,355,306
Provision for impairment of assets	510,583,982	79,374,880	379,198,357	59,072,340
Deferred income	467,000,720	71,129,438	422,702,470	64,415,445
Unrealised profit from internal transactions	1,260,073,595	207,901,611	1,302,195,686	212,104,030
Differences of depreciation/amortisation years due to tax laws and accounting treatment differences	179,977,359	27,397,871	22,505,826	3,375,874
Deductible losses	2,141,693,121	327,592,630	2,930,064,762	450,883,373
Accrued expenses	117,235,438	17,819,787	131,691,346	23,922,382
Accrued employee benefits that have not been paid yet	142,278,926	21,509,962	106,762,739	16,171,761
Changes in fair value of financial assets at fair value through other comprehensive income	43,647,710	6,813,441	54,444,135	8,683,675
Items of costs and expenses without invoices obtained	204,194,667	30,629,200	162,184,479	24,327,672
Lease liabilities	431,481,507	75,219,057	273,555,101	48,174,818
Others	32,362,656	4,889,893	49,042,747	7,604,715
Total	8,179,478,556	1,280,089,544	7,869,115,849	1,233,423,956



Notes to the Financial Statements

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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 surplus arising from business combination not under common control	29,273,696	7,318,425	41,754,458	10,438,615
Depreciation difference due to inconsistency of depreciation period between tax law and accounting	1,405,626,119	214,515,333	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	2,791,428	418,714	13,861,455	2,079,218
Changes in fair value of investments in other equity instruments	18,239,180	2,735,877	—	—
Accrued but not received interest receivable	313,907,985	47,086,198	—	—
Right-of-use assets	420,379,502	72,542,672	279,746,715	49,070,529
Total	2,190,217,910	344,617,219	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	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	327,111,792	952,977,752	301,044,930	932,379,026
Deferred tax liabilities	327,111,792	17,505,427	301,044,930	25,014,291

Notes to the Financial Statements



For the year ended 31 December 2025
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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	242,681,597	215,239,935
Deductible losses	884,226,624	1,463,485,887
Total	1,126,908,221	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	/
At the end of 2029	16,631,992	160,032,480	/
At the end of 2030	–	–	/
At the end of 2031	5,703,055	18,790,201	/
At the end of 2032	452,140,598	851,880,610	/
At the end of 2033	155,109,964	88,470,561	/
At the end of 2034	89,634,557	136,185,622	/
At the end of 2035	54,953,957	–	/
Without fixed term (Note)	110,052,501	197,861,822	/
Total	884,226,624	1,463,485,888	/

Note: Deductible tax losses arising from the Group's subsidiaries, Dynex, CRRC Times Electric (Hong Kong) Co., Ltd. ("CRRC Times Electric Hong Kong") and SMD, have no fixed expiry date.

Other information:

☐ Applicable ☒ Not applicable



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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-sum certificate of deposit	6,700,705,632	–	6,700,705,632	1,968,103,723	–	1,968,103,723
Prepayments for construction and equipment	67,618,970	–	67,618,970	520,499,040	–	520,499,040
Contract assets	1,271,967,294	150,224,173	1,121,743,121	965,628,237	60,248,484	905,379,753
Deposits from suppliers	122,760,089	2,987,570	119,772,519	122,760,089	2,987,570	119,772,519
Input tax to be credited	551,677,600	–	551,677,600	–	–	–
Prepayments for land	47,870,000	–	47,870,000	–	–	–
Time deposits	2,762,690,548	–	2,762,690,548	–	–	–
Less: Supplier deposits due within one year	122,760,089	2,987,570	119,772,519	–	–	–
Total	11,402,530,044	150,224,173	11,252,305,871	3,576,991,089	63,236,054	3,513,755,035

Other information:

As at 31 December 2025, other non-current assets from related parties of the Group are set out in Note XIV.6.

Notes to the Financial Statements



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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	446,529,211	446,529,211	Others	Deposits for bill Acceptance	483,625,190	483,625,190	Others	Deposits for bill Acceptance and deposits for letter of guarantee
Cash and bank balances	185,783	185,783	Others	Equity repurchase securities account funds	1,389,626,376	1,389,626,376	Others	Equity repurchase securities account funds
Cash and bank balances	451,936,433	451,936,433	Others	Project supervision funds	108,128,489	108,128,489	Others	Project supervision funds
Bills receivable	199,862,645	199,725,521	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>1,098,514,072</u>	<u>1,098,376,948</u>	/	/	<u>2,343,430,241</u>	<u>2,342,950,634</u>	/	/

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2025
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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	40,972,638	39,010,667
Total	40,972,638	39,010,667

Description of classification of short-term borrowings:

As at 31 December 2025, the annual interest rate for short-term loans is 5.90% to 7.00% (31 December 2024: 2.22% to 7.45%).

As at 31 December 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

Details of significant past due short-term loans are as follows:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



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

24. Bills payable

(1) Details of bills payable

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Commercial acceptances	289,371,243	190,088,775
Bank acceptances	8,413,786,223	5,626,742,216
Total	8,703,157,466	5,816,830,991

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

As at 31 December 2025, bills payable due to related parties of the Group are set out in Note XIV.6.



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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	671,070,091	1,037,855,674
Third parties	8,021,021,240	7,251,767,158
Total	8,692,091,331	8,289,622,832

(2) Accounts payable are disclosed by ageing as follows

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 6 months	6,952,941,930	7,039,394,658
6 months to 1 year	891,215,601	494,177,850
1 to 2 years	610,438,908	429,802,352
2 to 3 years	128,955,060	162,428,730
Over 3 years	108,539,832	163,819,242
Total	8,692,091,331	8,289,622,832

The ageing of accounts payable of the Group is classified based on the relevant document date.

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Accounts payable (continued)

(3) Significant accounts payable aged over one year

☒ Applicable ☐ Not applicable

2025

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for not being repaid or carried forward
Supplier 709832	74,258,793	Unsettled material payment
Supplier 728500	73,931,313	Unsettled material payment
Supplier 700398	32,378,827	Unsettled material payment
Supplier 734391	28,574,821	Unsettled material payment
Total	209,143,754	/

2024

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for not being repaid or carried forward
Supplier 709832	65,436,523	Unsettled material payment
Supplier 99037	36,282,637	Unsettled material payment
Supplier 728500	37,575,858	Unsettled material payment
Supplier 736835	22,066,289	Unsettled material payment
Supplier 724940	20,849,558	Unsettled material payment
Supplier 700939	20,351,606	Unsettled material payment
Total	202,562,471	/

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
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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	1,537,580,798	1,123,109,518
Related to construction service contract	159,176,109	210,430,934
Total	1,696,756,907	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 31 December 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
Client 106577	93,433,566	Conditions for revenue recognition not being satisfied
Client 123121	82,879,958	Conditions for revenue recognition not being satisfied
Client 107330	33,440,184	Conditions for revenue recognition not being satisfied
Client 129630	26,684,956	Conditions for revenue recognition not being satisfied
Client 105334	21,760,984	Conditions for revenue recognition not being satisfied
Client 109863	21,440,154	Conditions for revenue recognition not being satisfied
Total	279,639,802	/

Notes to the Financial Statements



For the year ended 31 December 2025
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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:

☒ Applicable ☐ Not applicable

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	865,700,632
Amount arising from contract liabilities at the end of the year as a result of cash received during the year	1,228,917,087
Closing balance	1,696,756,907

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Employee benefits payable

(1) Details of employee benefits payable

✓ Applicable ☐ Not applicable

2025

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	3,241,052,645	3,200,485,813	-1,772	246,647,254
II. Post-employment benefits – Defined contribution plan	20,204,652	419,499,307	426,129,897	489,064	14,063,126
III. Termination benefits	–	3,781,802	3,781,802	–	–
IV. Labour expenditures	–	25,245,256	25,245,256	–	–
Total	<u>226,286,846</u>	<u>3,689,579,010</u>	<u>3,655,642,768</u>	<u>487,292</u>	<u>260,710,380</u>

2024

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	190,976,004	2,824,017,681	2,808,855,803	-55,688	206,082,194
II. Post-employment benefits – Defined contribution plan	14,125,237	358,249,782	352,208,666	38,299	20,204,652
III. Termination benefits	–	6,587,081	6,587,081	–	–
IV. Labour expenditures	–	24,250,466	24,250,466	–	–
Total	<u>205,101,241</u>	<u>3,213,105,010</u>	<u>3,191,902,016</u>	<u>-17,389</u>	<u>226,286,846</u>

Notes to the Financial Statements



For the year ended 31 December 2025
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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

2025

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	2,607,412,347	2,603,328,084	-1,654	6,205,795
II. Welfare benefits	–	120,238,136	120,238,136	–	–
III. Social insurances	7,975,776	210,636,737	215,769,463	-80	2,842,970
Including: Basic medical insurance	4,636,690	138,032,334	141,213,647	-51	1,455,326
Supplementary medical insurance	2,475,734	51,888,575	53,567,622	–	796,687
Work injury insurance	779,439	20,199,065	20,525,552	-29	452,923
Maternity insurance	83,913	516,763	462,642	–	138,034
IV. Housing funds	2,853,035	206,818,353	209,134,666	–	536,722
V. Employee union funds and staff education funds	192,076,748	95,947,072	51,997,120	-38	236,026,662
VI. Others	1,053,449	–	18,344	–	1,035,105
Total	206,082,194	3,241,052,645	3,200,485,813	-1,772	246,647,254



Notes to the Financial Statements

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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 (continued)

2024

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	4,659,453	2,276,622,817	2,279,175,319	16,235	2,123,186
II. Welfare benefits	–	101,435,560	101,435,560	–	–
III. Social insurances	9,893,679	181,926,653	183,844,556	–	7,975,776
Including: Basic medical insurance	2,668,320	119,952,746	117,984,376	–	4,636,690
Supplementary medical insurance	6,575,346	47,671,769	51,771,381	–	2,475,734
Work injury insurance	646,993	13,955,476	13,823,030	–	779,439
Maternity insurance	3,020	346,662	265,769	–	83,913
IV. Housing funds	646,664	182,392,141	180,185,770	–	2,853,035
V. Employee union funds and staff education funds	174,473,661	81,424,535	63,821,448	–	192,076,748
VI. Others	1,302,547	215,975	393,150	-71,923	1,053,449
Total	190,976,004	2,824,017,681	2,808,855,803	-55,688	206,082,194

Notes to the Financial Statements



For the year ended 31 December 2025
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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

2025

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	328,661,201	335,621,476	489,064	13,115,325
2. Unemployment insurance	586,081	11,015,337	11,232,527	–	368,891
3. Enterprise annuity	32,035	79,822,769	79,275,894	–	578,910
Total	20,204,652	419,499,307	426,129,897	489,064	14,063,126

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance
1. Basic pension insurance	13,656,133	276,716,891	270,824,787	38,299	19,586,536
2. Unemployment insurance	–	9,565,583	8,979,502	–	586,081
3. Enterprise annuity	469,104	71,967,308	72,404,377	–	32,035
Total	14,125,237	358,249,782	352,208,666	38,299	20,204,652

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 31 December 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
VAT	74,925,986	88,421,580
Enterprise income tax	61,335,209	77,548,652
Individual income tax	56,511,995	48,596,450
City maintenance and construction tax and education surcharges	11,119,231	10,322,941
Others	18,516,389	19,685,744
Total	222,408,810	244,575,367

Other information:

None

29. Other payables

(1) Presented by item

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	—	—
Dividends payable	11,405,000	—
Other payables	3,741,622,316	1,869,975,564
Total	3,753,027,316	1,869,975,564

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Other payables (continued)

(2) Interest payable

Classification of interest payable

☐ Applicable ☒ Not applicable

Signification overdue interest payable

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

(3) Dividends payable

Classification of dividends payable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends payable – related parties	418,000	–
Dividends payable – third parties	10,987,000	–
Total	11,405,000	–

Other information, including significant dividends payable unpaid for more than one year, should disclose the reason for non-payment:

None



Notes to the Financial Statements

For the year ended 31 December 2025
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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	1,683,200,787	472,651,034
Deposits and guarantees	453,136,394	312,953,352
Projects and equipment	1,034,964,600	613,579,772
Withholding social security contributions	3,477,176	9,368,479
Others	566,843,359	461,422,927
Total	3,741,622,316	1,869,975,564

Significant other payables with ageing of more than one year or overdue

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for not being repaid or carried forward
Supplier 99024	380,395,100	Unsettled material payment
Supplier 720730	14,609,500	Not due
Supplier 701020	14,109,380	Unsettled material payment
Supplier 740246	29,020,000	Unsettled material payment
Supplier 712119	24,174,343	Not due
Supplier 702104	13,309,004	Unsettled material payment
Supplier 712118	12,295,632	Not due
Total	487,912,959	/

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



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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	7,924,449	9,080,679
Lease liabilities due within 1 year	134,397,206	90,707,092
Provisions due within 1 year	833,316,584	643,405,362
Total	975,638,239	743,193,133

Other information:

None

31. Other current liabilities

Details of other current liabilities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT for sales of goods collected in advance	205,580,875	166,486,362
Total	205,580,875	166,486,362

The movements of short-term debentures payable:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
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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	56,612,449	71,084,779
Less: Long-term borrowings due within 1 year	7,924,449	9,080,679
Total	48,688,000	62,004,100

Description of classification of long-term borrowings:

As at 31 December 2025, the balance of long-term loans borrowed from the Group's related parties is set out in Note XIV.6.

Other information, including interest rate range:

✓ 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	7,924,449	9,080,679
Due within 1 to 2 years	11,500,000	13,316,100
Due within 2 to 5 years	37,188,000	35,500,000
Due over 5 years	—	13,188,000
Total	56,612,449	71,084,779

Notes to the Financial Statements



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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	433,124,534	278,676,975
Less: Lease liabilities classified as non-current liabilities due within 1 year (Note VII.30)	134,397,206	90,707,092
Total	298,727,328	187,969,883

Other information:

Maturity analysis:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Due within 1 to 2 years	79,489,113	66,492,516
Due within 2 to 5 years	121,917,236	103,800,583
Due over 5 years	171,201,381	32,118,630
Total	372,607,730	202,411,729
Less: Unrecognised financing expenses	73,880,402	14,441,846
Lease liabilities	298,727,328	187,969,883



Notes to the Financial Statements

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

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:

☐ Applicable ☒ Not applicable

Long-term payables

(1) Details of Long-term payables by nature

☒ 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

(1) Details of special payables by nature

☐ Applicable ☒ Not applicable

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RMB

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	1,512,351,018	1,254,517,245	After sales service agreed in the agreement
Less: Provisions due within 1 year (Note VII.30)	833,316,584	643,405,362	/
Total	679,034,434	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	Reason
Government grants	420,037,069	315,527,330	173,369,646	562,194,753	Government grants received but not yet eligible for carry-forward
Total	420,037,069	315,527,330	173,369,646	562,194,753	/

Other information:

☐ Applicable ☒ Not applicable



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For the year ended 31 December 2025
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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 (+/-)		Sub-total	Closing balance
				Transfer from reserves	Others		
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	-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	-	-	-	589,585,699	589,585,699	868,907,512
Total	1,406,652,812	-	-	-	-48,704,400	-48,704,400	1,357,948,412

Other information:

In 2025, the Company de-registered repurchased H shares from the Hong Kong Stock Exchange. As of 31 December 2025, the company had cumulatively repurchased 44,371,600 H Shares. A total of 48,704,400 H Shares had been cancelled, including 4,332,800 H shares repurchased in 2024

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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 (Note 1)	Decreases (Note 2)	Closing balance
Share premium	12,820,074,193	12,541,722	1,342,052,721	11,490,563,194
Other capital reserves	-89,108,873	—	—	-89,108,873
Total	12,730,965,320	12,541,722	1,342,052,721	11,401,454,321

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 and Shenyang CRRC Times.

Note 2: The decrease of capital reserve in the current period is mainly due to the impact of the Company's repurchase of H Shares.



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For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Treasury shares

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Closing balance
H shares buy-back	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 descriptions about movements during the period and reasons:

During the reporting period, the Company repurchased a total of 44,371,600 H Shares of the Company in the share capital of the Company, each with a nominal value of RMB1.00, on The Stock Exchange of Hong Kong Limited, at an aggregate purchase price of HK\$1,369,771,356.02, exclusive of transaction costs. Details are as follows.

Month of repurchase	Number of H-share repurchased	Maximum price paid per share (HKD)	Minimum price paid per share (HKD)	Total price (excluding transaction fees) (HKD)
January 2025	12,351,200	32.6	29.05	371,044,004
February 2025	20,629,100	32.2	28.8	628,782,941
April 2025	1,295,000	32.0	30.5	40,254,427
May 2025	9,485,500	33.2	31.25	309,541,395
June 2025	610,800	33.2	32.35	20,148,589
Total	44,371,600	/	/	1,369,771,356

The Company de-registered 37,313,100 H shares repurchased from December 17, 2024 to February 20, 2025 on February 26, 2025, and 11,391,300 H shares repurchased from April 30 to June 5, 2025 on June 19, 2025.

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

40. Other comprehensive income

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount incurred for current period before tax	Movement for the period		Less: Income tax expenses	Attributable to owners of the Parent Company after tax	Attributable to non-controlling shareholders after tax	Closing balance
			Less:	Transferred from other comprehensive income to profit or loss				
I. Other comprehensive income that will not be reclassified to profit for loss	-	18,239,180	-	2,735,877	15,503,303	-	-	15,503,303
Including: Changes in fair value of other equity investments	-	18,239,180	-	2,735,877	15,503,303	-	-	15,503,303
II. Other comprehensive income that will be reclassified to profit for loss	-240,610,284	-36,628,127	-58,820,530	1,870,234	22,378,349	-2,056,180	-	-218,231,935
Including: Changes in fair value of other debt investments	-49,101,423	-51,019,126	-58,820,530	1,870,234	7,987,350	-2,056,180	-	-41,114,073
Translation differences of financial statements denominated in foreign currencies	-191,508,861	14,390,999	-	-	14,390,999	-	-	-177,117,862
Total other comprehensive income	-240,610,284	-18,388,947	-58,820,530	4,606,111	37,881,652	-2,056,180	-	-202,728,632

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.



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Special reserve

✓ Applicable ☐ Not applicable

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Production safety fees	120,842,834	57,915,595	23,815,292	154,943,137
Total	120,842,834	57,915,595	23,815,292	154,943,137

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Production safety fees	88,379,349	56,519,336	24,055,851	120,842,834
Total	88,379,349	56,519,336	24,055,851	120,842,834

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	322,286,117	—	3,852,572,724
Total	3,530,286,607	322,286,117	—	3,852,572,724

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.

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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	4,096,540,421	3,702,585,914
Less: Appropriation to statutory surplus reserve	322,286,117	376,627,360
Common stock dividends payable	1,955,445,713	1,101,001,287
Retained earnings at the end of the period	25,922,673,470	24,103,864,879

Note1: (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 27 June 2025, pursuant to which a final dividend of RMB1.00 (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.

The Company convened its 2024 annual general meeting on 27 June 2025, at which the resolution in relation to the authorisation to the Board to determine the 2025 interim profit distribution plan of the Company was considered and approved. The interim profit distribution plan of the Company for the first half of 2025 was considered and approved at the twentieth meeting of the seventh session of the Board held on 22 August 2025. Based on the total share capital of 1,357,948,412 shares, the Company distributed an interim cash dividend for the first half of 2025 to all shareholders of RMB0.44 per share (tax inclusive), amounting to an aggregate of RMB597,497,201.



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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

43. Retained earnings (continued)

Note 2: Distribution of profits resolved after the balance sheet date

On 27 March 2026, the Company convened the twenty-fourth meeting of the seventh session of the Board, at which the resolution in relation to the profit distribution plan of the Company for the year 2025 was considered and approved. The Company proposed to distribute a cash dividend to all shareholders based on the total share capital as registered on the record date for the implementation of the profit distribution, the specific date of which will be announced separately in the relevant implementation announcement. The Company proposed to distribute a cash dividend of RMB6.80 (tax inclusive) for every 10 shares to all shareholders. Based on the total share capital of 1,357,948,412 shares as at 28 February 2026, comprising 868,907,512 A Shares and 489,040,900 H Shares, and after deducting 283,900 repurchased H Shares pending cancellation, the distribution would be based on 1,357,664,512 shares, comprising 868,907,512 A Shares and 488,757,000 H Shares. On such basis, the Company proposed to distribute a cash dividend of RMB0.68 per share (tax inclusive), amounting to an aggregate of RMB923,211,868.16 (tax inclusive). The total cash dividend of the Company for the year 2025, including the interim cash dividend already distributed for the first half of 2025, amounted to RMB1,520,709,169.44 (tax inclusive), representing approximately 37.12% of the net profit attributable to shareholders of the listed company as shown in the consolidated financial statements of the Company for the year 2025. In the event of any change in the total share capital of the Company between the date of disclosure of the announcement in relation to the profit distribution plan and the record date for the implementation of the profit distribution, the Company intends to maintain the distribution amount per share unchanged and adjust the aggregate distribution amount accordingly, and will make a separate announcement in relation to the specific adjustments. The above profit distribution plan is subject to the consideration and approval of the Company's 2025 annual general meeting.

Notes to the Financial Statements



For the year ended 31 December 2025
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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	28,586,057,816	19,011,588,071	24,751,211,917	16,687,588,111
Other operating activities	116,642,247	95,213,433	157,725,631	130,707,230
Total	28,702,700,063	19,106,801,504	24,908,937,548	16,818,295,341

(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	15,805,520,225	9,269,935,716	14,636,033,580	9,103,227,393
Emerging equipment business	12,780,537,591	9,741,652,355	10,115,178,337	7,584,360,718
Others	116,642,247	95,213,433	157,725,631	130,707,230
Total	28,702,700,063	19,106,801,504	24,908,937,548	16,818,295,341



Notes to the Financial Statements

For the year ended 31 December 2025
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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

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Type of contract	Current period	Prior period
By geographical areas of sales		
Chinese Mainland	26,722,048,710	23,528,651,385
Other countries and regions	1,980,651,353	1,380,286,163
Total	28,702,700,063	24,908,937,548

Other descriptions:

☐ 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.

Notes to the Financial Statements



For the year ended 31 December 2025
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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



Notes to the Financial Statements

For the year ended 31 December 2025
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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	67,604,492	53,737,922
Education surcharges	49,343,989	39,148,242
Others	78,191,436	68,567,473
Total	195,139,917	161,453,637

Other information:

None

46. Selling expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits	333,213,700	320,927,280
Installation fees	3,582,440	16,385,731
Office and travel expenses	100,223,007	93,222,864
Business entertainment expenses	37,958,632	37,854,764
Bidding and tendering fees	45,404,284	24,016,953
Advertising and publicity cost	9,311,568	15,416,028
Others	57,224,301	81,355,568
Total	586,917,932	589,179,188

Other information:

None

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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)	609,286,245	579,262,416
Depreciation and amortisation expenses	168,438,860	165,212,498
Facility maintenance cost	100,349,496	132,121,475
Office and travel expenses and conference fee	63,508,391	59,560,551
Property management fee	40,090,603	32,789,365
Service fees for intermediaries and professional institutions	49,620,240	40,833,613
Utilities expenses	40,052,495	27,012,598
Insurance expenses	16,318,961	17,536,098
Rental expenses	10,581,402	20,400,858
Business entertainment expenses	11,894,331	13,306,233
Others	116,942,293	80,908,966
Total	1,227,083,317	1,168,944,671

Other information:

The company's audit fee for the year of 2025 is RMB5.6 million (2024: RMB5.2 million).



Notes to the Financial Statements

For the year ended 31 December 2025
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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	1,505,422,428	1,240,413,223
Cost of materials consumed	707,009,583	660,763,173
Depreciation and amortisation expenses	322,042,975	309,719,891
Technical service fee	113,914,681	134,193,792
Office and travel expenses	130,301,281	120,382,702
Experiment and inspection cost	82,159,932	62,255,232
Others	150,467,447	128,943,050
Total	3,011,318,327	2,656,671,063

Other information:

None

49. Finance expense

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Interest expenses of loans and payables	22,505,875	38,148,813
Interest expenses of lease liabilities	18,505,726	13,636,982
Less: Capitalised interest expenses	14,772,892	12,397,860
Interest income	-305,300,440	-285,069,804
Net exchange losses ("-" for profits)	-22,513,632	84,103,459
Financial institution charges	15,376,984	12,184,492
Others	5,440,762	3,166,431
Total	-280,757,617	-146,227,486

Other information:

None

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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	476,062,137	925,718,560
Total	476,062,137	925,718,560

Other information:

None

51. Investment income

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Losses on long-term equity investments accounted for using the equity method	-12,091,078	-4,280,864
Investment loss arising from disposal of trading financial assets/liabilities	-815,957	42,401,768
Investment income arising from disposal of long-term equity investments	1,082,357	—
Dividend income from investments in other equity instruments during the holding period	17,898,696	371,200
Loss on derecognition of receivables at FVOCI	-9,163,644	-7,827,125
Loss on derecognition of financial assets measured at amortised cost	-2,148,750	-1,468,401
Others	-1,298,239	-898,131
Total	-6,536,615	28,298,447

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2025
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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/liabilities	6,988,124	43,848,229
Total	6,988,124	43,848,229

Other information:

None

53. Credit losses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Losses on credit impairment of bills receivable	-1,110,587	-1,799,715
Losses on credit impairment of accounts receivable	-315,271,758	-300,377,403
Losses on credit impairment of other receivables	-2,797,509	-4,883,916
Total	-319,179,854	-307,061,034

Other information:

None

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

54. Impairment losses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Losses on impairment of inventories	-46,017,828	-18,019,209
Losses on impairment of contract assets	-11,226,542	-42,650,704
Losses on impairment of fixed assets	-16,482,030	-6,670,221
Losses on impairment of construction in progress	-1,068,668	—
Losses on impairment of intangible assets	-1,538,119	—
Losses on impairment of other non-current assets	-89,975,689	-21,028,722
Total	-166,308,876	-88,368,856

Other information:

None

55. Gains on disposal of assets

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Gains/(losses) on disposal of fixed assets	-686,713	21,849,585
Gains/(losses) on the disposal of right-of-use assets	-393,775	1,100,361
Total	-1,080,488	22,949,946

Other information:

None



Notes to the Financial Statements

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

56. Non-operating income

Non-operating income situation

☒ 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
Penalty income and default compensation income	27,548,425	25,858,146	27,548,425	25,858,146
Unsettled payment	13,381,559	20,381,123	13,381,559	20,381,123
Others	4,714,230	1,620,972	4,714,230	1,620,972
Total	45,644,214	47,860,241	45,644,214	47,860,241

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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	10,982,985	11,004,663	10,982,985	11,004,663
Losses on retirement of assets	96,155	5,971,530	96,155	5,971,530
Others	7,063,266	296,541	7,063,266	296,541
Total	18,142,406	17,272,734	18,142,406	17,272,734

Other information:

None

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	595,656,784	459,641,332
Deferred income tax expenses	-31,077,654	-91,803,244
Total	564,579,130	367,838,088



Notes to the Financial Statements

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

58. Income tax expenses (continued)

(2) Reconciliation of accounting profits and income tax expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Total profit	4,873,642,919	4,316,593,933
Income tax expenses calculated at statutory tax rate of 25%	1,218,410,730	1,079,148,483
Effect of preferential tax rate applicable to the Company and its certain subsidiaries	-487,364,292	-436,541,724
Effect of different tax rates applied by subsidiaries	20,481,119	-112,767
Effect of profit or loss of associates and joint ventures	1,834,880	642,130
Effect of non-deductible costs, expenses and losses	15,288,324	3,154,509
Effect of using deductible losses for which no deferred tax assets were recognised for the prior period	-149,203,171	-188,456,047
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognised in the current period	134,441,715	92,141,177
Effect of additional deduction of R&D expenses	-233,882,672	-237,836,921
Other tax filing differences	30,049,105	50,353,520
Changes in deferred income taxes at the beginning of the period due to tax rate changes	14,523,392	5,345,728
Income tax expenses	564,579,130	367,838,088

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.

Notes to the Financial Statements



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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	62,146,306	90,404,566
Current accounts received	149,387,800	352,225,090
Others	473,339,959	397,154,784
Total	684,874,065	839,784,440

Description of other cash received related 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)

(1) Cash related to operating activities (continued)

Other cash payments relating to operating activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payments for selling expenses, administrative expenses, and research and development expenses	721,829,422	707,559,695
Provision on product quality warranty	1,072,357,066	1,140,289,186
Bank charges	15,376,984	12,184,492
Project supervision funds	372,411,293	108,128,488
Others	32,577,547	75,551,057
Total	2,214,552,312	2,043,712,918

Description of other cash payments relating to operating activities:

None

(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

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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

Other cash receipts relating to financing activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items	Current period	Prior period
Related-party borrowings	1,237,410,000	—
Withdrawal from equity repurchase securities account	119,718,760	—
Others	85,661,861	1,577,585
Total	1,442,790,621	1,577,585

Description of other cash receipts 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	149,437,820	126,519,709
Deposit into equity repurchase securities account	—	1,389,626,376
Repurchase of treasury shares	—	354,679,056
Interest of related parties loan	17,452,848	—
Total	166,890,668	1,870,825,141

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	414,840	1,547,131	—	—	40,972,638
Dividends payable	—	—	2,018,416,591	2,007,011,591	—	11,405,000
Other payables-related parties loan	—	1,237,410,000	—	—	—	1,237,410,000
Long-term loans (Including long-term borrowings due within one year)	71,084,779	—	—	14,472,330	—	56,612,449
Lease liabilities (Including lease liabilities due within one year)	278,676,975	—	315,980,770	149,437,820	12,095,391	433,124,534
Total	388,772,421	1,237,824,840	2,335,944,492	2,170,921,741	12,095,391	1,779,524,622

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

59. Items in the cash flow statement (continued)

(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

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	4,309,063,789	3,948,755,845
Add: Impairment losses	166,308,876	88,368,856
Credit losses	319,179,854	307,061,034
Depreciation of fixed assets	1,140,483,000	848,623,158
Amortisation of intangible assets	255,811,881	253,481,771
Depreciation of right-of-use assets	150,216,488	119,588,911
Amortisation of long-term prepaid expenses	7,348,851	13,207,325
Losses on disposal of fixed assets, intangible assets and other non-current assets ("-" for gains)	1,080,488	-22,949,946
Losses on changes in fair value ("-" for gains)	-6,988,124	-43,848,229
Finance costs ("-" for incomes)	-237,403,588	-154,379,172
Investment losses ("-" for gains)	15,271,667	-37,023,703
Decrease in deferred tax assets ("-" for increases)	-17,862,849	-45,263,646
Increase in deferred tax liabilities ("-" for decrease)	-7,508,864	-45,325,776
Decrease in inventories ("-" for increase)	-1,682,669,375	-1,545,223,626
Decrease in operating receivables ("-" for increase)	-11,422,220,277	-8,715,176,727
Increase in operating payables ("-" for decrease)	11,120,816,816	9,027,150,217
Others	-146,204,333	-635,925,377
Net cash flow from operating activities	3,964,724,300	3,361,120,915
2. Net movement in cash and cash equivalents		
Closing balance of cash	4,389,571,295	7,637,572,817
Less: Opening balance of cash	7,637,572,817	7,013,542,578
Net Loss/increase in cash and cash equivalents	-3,248,001,522	624,030,239



Notes to the Financial Statements

For the year ended 31 December 2025
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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	4,389,571,295	7,637,572,817
Including: Cash on hand	18,778	15,907
Bank deposits on demand	4,389,552,517	7,637,556,910
II. Closing balance of cash and cash equivalents	4,389,571,295	7,637,572,817

(5) Restricted items but still presented as cash and cash equivalents

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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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	Closing balance	Opening balance	Reasons
Bank deposits	1,425,639,849	1,033,226,342	Time deposits with maturities over three months
Other monetary funds	898,651,427	1,981,380,055	Bank acceptance bill margin deposits, guarantee deposits for letters of guarantee and amounts in the equity repurchase securities account
Total	2,324,291,276	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



Notes to the Financial Statements

For the year ended 31 December 2025
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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

2025

Unit: Yuan

Item	Foreign currency balance at 31 December 2025	Exchange rate	Equivalent to RMB at 31 December 2025
Cash and bank balances			298,939,783
Including: EUR	18,304,677	8.2355	150,748,167
HKD	94,325,210	0.9032	85,194,530
GBP	2,759,486	9.4346	26,034,647
MXN	30,991,128	0.3899	12,083,441
AUD	1,960,998	4.6892	9,195,512
CHF	917,589	8.8510	8,121,580
USD	1,075,846	7.0288	7,561,906
Accounts receivable			245,383,681
Including: MXN	401,224,389	0.3899	156,437,389
EUR	9,899,018	8.2355	81,523,362
USD	738,161	7.0288	5,188,386
GBP	228,804	9.4346	2,158,674
HKD	84,000	0.9032	75,869
Accounts payable			21,840,649
Including: EUR	1,227,039	8.2355	10,105,282
USD	925,112	7.0288	6,502,427
JPY	106,856,415	0.0448	4,787,167
GBP	47,249	9.4346	445,775
Other payable			150,871,948
Including: USD	11,452,567	7.0288	80,497,803
EUR	7,680,200	8.2355	63,250,287
JPY	152,542,782	0.0448	6,833,917
CHF	32,758	8.8510	289,941
Other receivable			235
HKD	260	0.9032	235

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

62. Foreign currency monetary items (continued)

(1) Foreign currency monetary items (continued)

2024

Unit: Yuan

Item	Foreign currency balance at 31 December 2024	Exchange rate	Equivalent to RMB at 31 December 2024
Cash and bank balances			1,631,051,666
Including: HKD	1,514,506,959	0.9260	1,402,433,444
GBP	9,413,011	9.0765	85,437,194
EUR	10,796,726	7.5257	81,252,921
USD	5,360,671	7.1884	38,534,647
MXN	53,778,120	0.3498	18,811,586
Others	/	/	4,581,874
Accounts receivable			112,388,053
Including: EUR	11,283,913	7.5257	84,919,344
USD	2,248,942	7.1884	16,166,295
MXN	28,296,291	0.3498	9,898,043
GBP	154,726	9.0765	1,404,371
Accounts payable			121,469,040
Including: EUR	9,593,326	7.5257	72,196,493
JPY	521,876,797	0.0462	24,110,708
USD	1,845,239	7.1884	13,264,316
CHF	882,937	7.9977	7,061,465
Others	/	/	4,836,058
Other payables			153,519,725
Including: USD	15,864,277	7.1884	114,038,769
JPY	567,524,085	0.0462	26,219,613
EUR	1,681,100	7.5257	12,651,454
Others	/	/	609,889
Other receivables			241
Including: HKD	260	0.9260	241
Other information:			
None			



Notes to the Financial Statements

For the year ended 31 December 2025
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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	2025	2024
Expenses of short-term lease and low-value asset lease for which the practical expedient has been selected to apply	29,141,831	44,284,267

Sale and leaseback transactions and basis of judgment

☐ Applicable ✓ Not applicable

Total cash outflows related to leases 178,579,651 (Unit: Yuan Currency: RMB)

Notes to the Financial Statements



For the year ended 31 December 2025
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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	17,105,104	—
Machinery and equipment	16,352,183	—
Intangible assets	—	—
Total	33,457,287	—

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)	25,329,868	24,839,711
1 to 2 years (including 2 years)	23,126,666	3,056,960
2 to 3 years (including 3 years)	850,000	1,700,000
3 to 4 years (including 4 years)	—	850,000
4 to 5 years (including 5 years)	—	—
More than 5 years	—	—
Total	49,306,534	30,446,671



Notes to the Financial Statements

For the year ended 31 December 2025
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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

63. Lease (continued)

(2) As a lessor (continued)

Financial lease as a lessor

☒ Applicable ☐ Not applicable

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	—	48,654	—
Total	—	48,654	—

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)	302,386	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	302,386	1,901,533
Less: Unrealized financing gains	1,167	49,821
Net investment in leases	301,219	1,851,712

Undiscounted lease receipts for the next five years

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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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. Data resources

☐ Applicable ☒ Not applicable

65. Others

☐ Applicable ☒ Not applicable

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	1,550,466,064	1,268,246,458
Depreciation and amortization	322,042,975	310,137,372
Material consumption	777,569,823	781,002,422
Technical services	151,446,365	160,579,429
Others	375,001,871	321,956,046
Total	3,176,527,098	2,841,921,727
Including: Expensed R&D expenditures	3,011,318,327	2,656,671,063
Capitalized R&D expenditures	165,208,771	185,250,664

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2025
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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		Others	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	20,878,690	–	–	–	–	73,343,480
Project 2	16,377,510	18,822,023	–	–	–	–	35,199,533
Project 3	17,765,329	13,625,052	–	–	–	–	31,390,381
Project 4	7,573,410	12,473,650	–	–	–	–	20,047,060
Others	<u>160,243,234</u>	<u>3,110,727,683</u>	<u>3,255,764</u>	<u>126,476,986</u>	<u>3,011,318,327</u>	<u>24,949,517</u>	<u>111,481,851</u>
Total	<u>254,424,273</u>	<u>3,176,527,098</u>	<u>3,255,764</u>	<u>126,476,986</u>	<u>3,011,318,327</u>	<u>24,949,517</u>	<u>271,462,305</u>

Notes to the Financial Statements



For the year ended 31 December 2025
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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%	Dec/2026	Through sale	Apr/2024	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 2	90%	Dec/2026	Through sale	Apr/2024	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%	Dec/2026	Through sale	Apr/2024	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	60%	Nov/2026	Through sale	Jul/2023	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.



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VIII. R&D EXPENDITURES (continued)

(2) Development expenditure on R&D projects eligible for capitalization (continued)

Provision for impairment of development expenditure

☐ Applicable ☒ Not applicable

Other information:

None

(3) Significant outsourced in-process R&D projects

☐ Applicable ☒ Not applicable

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

Notes to the Financial Statements



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IX. CHANGE IN CONSOLIDATION SCOPE (continued)

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

5. Other reasons for change of consolidation scope

Description of changes in the scope of consolidation due to other reasons (such as establishment of new subsidiaries or liquidation of subsidiaries) and the relevant details:

☒ Applicable ☐ Not applicable

In September 2025, the Company's parent absorbed and merged its subsidiary Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. ("CRRC CV Power"), and the parent took over its business.

6. Others

☐ Applicable ☒ Not applicable



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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	RMB80,000,000	Shenyang, Liaoning ^{2#}	Manufacturing	70.00	–	Incorporation
CRRC Times Semiconductor	Zhuzhou, Hunan	RMB5,647,633,598	Zhuzhou, Hunan ^{2#}	Manufacturing	77.84	–	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	55.00	–	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	60.00	–	Incorporation
Guangzhou CRRC Times Electric Technology Co., Ltd. ("Guangzhou Electric")	Guangzhou, Guangdong	RMB30,000,000	Guangzhou, Guangdong ^{2#}	Manufacturing	60.00	–	Incorporation
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	55.00	–	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	45.00	–	Incorporation
Shanghai CRRC Rail Transit Technology Co., Ltd. ("Shanghai CRRC Rail Transit")	Shanghai	RMB50,000,000	Shanghai ^{2#}	Manufacturing	51.00	–	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

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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	
Lanzhou CRRC Times Rail Transit Technology Co., Ltd. ("Lanzhou Times")	Lanzhou, Gansu	RMB50,000,000	Lanzhou, Gansu ^{2#}	Manufacturing	51.00	–	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	60.00	–	Incorporation
FAW CRRC Electric Drive System Co., Ltd.	Changchun, Jilin	RMB500,000,000	Changchun, Jilin ^{2#}	Manufacturing	50.00	–	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
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
SMD	UK	GBP44,049,014	UK	Investment holding	–	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	
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	–	73.30	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 Times Electric Drive Technology Co., Ltd. in Indonesia	Indonesia	IDR111,000,000,000	Indonesia	Manufacturing	51.00	49.00	Incorporation

Notes to the Financial Statements



For the year ended 31 December 2025
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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

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 believes that, although it holds only 50% of the equity interest, it nonetheless controls FAW CRRC Electric Drive System Co., Ltd. ("FAW CRRC"). The principal reasons are as follows: pursuant to the articles of association of FAW CRRC, resolutions of the shareholders' meeting are voted on by shareholders in proportion to their capital contributions, and all resolutions of the shareholders' meeting require the unanimous consent of all shareholders to be passed. The board of directors comprises five directors, of whom three are appointed by the Company and two are appointed by FAW Equity. Matters to be resolved by the board are classified into ordinary resolutions and special resolutions. Ordinary resolutions are passed upon the approval of more than half of the directors. Special resolutions involve significant decisions relating to the operations of FAW CRRC and require the approval of at least two-thirds of the directors. In respect of matters that cannot be approved at the shareholders' meeting or the board meeting of FAW CRRC, if the parties still fail to reach agreement after consultation in accordance with the agreed procedures, the Company's opinion shall prevail. Accordingly, the Company believes that it has control over FAW CRRC.

Basis for consolidating significant structured entities based on control:

None

Rationale for determining whether the Company is an agent or principal:

None

Other information:

None



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For the year ended 31 December 2025
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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(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	22.16%	205,168,771	—	2,610,992,271

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

(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	6,095,519,103	11,987,932,690	18,083,451,793	5,999,079,587	327,450,417	6,326,530,004	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	5,531,576,882	925,734,883	929,863,524	1,305,900,192	4,365,049,193	1,192,639,860	1,193,339,858	1,150,547,775

Other information:

None

Notes to the Financial Statements



For the year ended 31 December 2025
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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(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

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

In September 2025, the Company acquired a 0.01% equity stake in its subsidiary CRRC Times Semiconductor from Zhuzhou Core Connected Zero Enterprise Management Partnership for RMB711,502. After the above-mentioned equity transfer, the proportion of equity held by the Group in CRRC Times Semiconductor increased from 77.83% to 77.84%.

In September 2025, Shenyang Metro Operation Co., Ltd. (referred to as "Shenyang Metro") made a capital injection of RMB40,445,700 into Shenyang CRRC Times, resulting in a 30% shareholding ratio. After the capital injection, the registered capital of Shenyang CRRC Times increased to RMB80,000,000, and the proportion of equity held by the Group in Shenyang CRRC Times decreased from 100.00% to 70.00%. The Group increased the capital reserve by RMB5,601,147, which is the difference between the net assets of Shenyang CRRC Times attributable to the Group calculated based on the shareholding ratio before and after the capital injection.

In May 2025, Zhuzhou Electric Drive Linghao Enterprise Management Partnership (Limited Partnership) contributed RMB24,670,000 to Hunan CRRC Electric Drive in cash, and the Group increased its capital reserve by increasing the difference between the net assets of Hunan CRRC Electric Drive calculated by the shareholding ratio before and after this capital increase by RMB6,940,575.



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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 (continued)

(2) Impact of the transaction on non-controlling interests and equity attributable to owners of the parent

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

	CRRC Times Semiconductor	Shenyang CRRC Times	Hunan CRRC Electric Drive
Acquisition cost/disposal consideration			
– Cash	-711,502	40,445,700	24,670,000
– Fair value of non-cash assets	–	–	–
Total Acquisition cost/disposal consideration	-711,502	40,445,700	24,670,000
Less: Share of net assets in subsidiaries based on the shares acquired/disposed of	-600,000	34,844,553	17,729,425
Difference	-111,502	5,601,147	6,940,575
Including: Adjustment to capital reserve	-111,502	5,601,147	6,940,575
Adjustment to surplus reserve	–	–	–
Adjustment to retained earnings	–	–	–

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



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X. INTERESTS IN OTHER ENTITIES (continued)

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

(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	246,859,827	265,395,108
Aggregate amount calculated based on the shareholding proportion		
– Net profit	-14,245,236	-11,292,724
– Total comprehensive income	-14,245,236	-11,292,724
Associates:		
Aggregate carrying amount of investments	281,804,407	307,049,312
Aggregate amount calculated based on the shareholding proportion		
– Net profit	2,154,158	6,282,481
– Total comprehensive income	2,154,158	6,282,481

Other information

None



Notes to the Financial Statements

For the year ended 31 December 2025
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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

Unit: Yuan Currency: RMB

Name of joint ventures or associates	Accumulated losses from previous periods that have not been recognized yet	Unconfirmed losses for this period (or the net profit shared for this period)	The cumulative unrecognized losses at the end of the period

Zhejiang Times LANP New Energy Co., Ltd.
("Zhejiang LANP")

–

1,089,996

1,089,996

Other information

None

(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

Notes to the Financial Statements



For the year ended 31 December 2025
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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



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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 31 December 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	1,000,300,274	3,533,861,455
<i>At FVTOCI</i>		
Trade receivables financing	3,693,354,480	3,821,703,358
Other equity instrument investments	285,062,700	266,823,520
<i>At amortised cost</i>		
Cash and bank balances	6,713,862,572	10,652,179,214
Bills receivable	5,294,265,231	3,224,588,596
Accounts receivable	12,257,442,840	11,612,385,573
Other receivables	233,930,619	247,407,254
Other current assets	150,471,951	1,022,607,338
Non-current assets due within one year	1,132,085,530	2,628,347,569
Long-term receivables	301,219	1,969,712
Other non-current assets	9,463,396,180	1,968,103,723
Financial liabilities		
<i>At amortised cost</i>		
Short-term borrowings	40,972,638	39,010,667
Bills payable	8,703,157,466	5,816,830,991
Accounts payable	8,692,091,331	8,289,622,832
Other payables	3,741,622,316	1,869,975,564
Long-term borrowings (including long-term borrowings due within one year)	56,612,449	71,084,779
Lease liabilities (including lease liabilities due within one year)	433,124,534	278,676,975
Long-term payables	—	72,823

Notes to the Financial Statements



For the year ended 31 December 2025
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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. 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 31 December 2025 and 31 December 2024, the Group had certain concentrations of credit risk as 8.89% and 13.63% of the Group's accounts receivable were due from the Group's largest customer. As at 31 December 2025 and 31 December 2024, 21.04% and 22.57% 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 small 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.



Notes to the Financial Statements

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. 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:

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	43,390,024	-	-	-	43,390,024	40,972,638
Bills payable	8,703,157,466	-	-	-	8,703,157,466	8,703,157,466
Accounts payable	8,692,091,331	-	-	-	8,692,091,331	8,692,091,331
Other payables (excluding dividends payable)	3,741,622,316	-	-	-	3,741,622,316	3,741,622,316
Long-term borrowings (including long-term borrowings due within one year)	7,735,202	11,995,886	37,907,193	-	57,638,281	56,612,449
Lease liabilities (including lease liabilities due within one year)	143,450,376	79,489,113	121,917,236	171,201,381	516,058,106	433,124,534
Long-term payables	-	-	-	-	-	-
Total	21,331,446,715	91,484,999	159,824,429	171,201,381	21,753,957,524	21,667,580,734

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For the year ended 31 December 2025
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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Risks of financial instruments (continued)

(2) Liquidity risk (continued)

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>

(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>-307,295</u>	<u>307,295</u>	<u>-292,580</u>	<u>292,580</u>



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For the year ended 31 December 2025
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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Risks of financial instruments (continued)

(3) Market risk (continued)

Foreign currency risk

Foreign 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

Item	Closing balance of total assets	Closing balance of total liabilities	Opening balance of total assets	Opening balance of total liabilities
EUR	232,271,530	73,355,567	210,024,094	84,847,951
MXN	168,511,644	—	22,054,267	114,726
HKD	85,270,399	—	1,402,494,265	—
GBP	28,193,321	445,775	457,618,430	7,363,972
USD	12,750,292	87,000,230	180,014,488	146,700,897
AUD	9,195,512	—	28,709,629	—
CHF	8,121,580	289,941	4,581,874	7,671,352
JPY	—	11,620,306	—	50,330,321
Total	544,314,278	172,711,819	2,305,497,047	297,029,219

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. 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 and CHF on the Group's net profit, with all other variables held constant.

Unit: Yuan

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 prior period Increase/ (decrease)
MXN				
If RMB strengthens against MXN	10%	-14,323,490	10%	-1,864,861
If RMB weakens against MXN	-10%	14,323,490	-10%	1,864,861
EUR				
If RMB strengthens against EUR	10%	-13,507,857	10%	-10,639,972
If RMB weakens against EUR	-10%	13,507,857	-10%	10,639,972
HKD				
If RMB strengthens against HKD	10%	-7,247,984	10%	-119,212,013
If RMB weakens against HKD	-10%	7,247,984	-10%	119,212,013
GBP				
If RMB strengthens against GBP	10%	-2,358,541	10%	-38,271,629
If RMB weakens against GBP	-10%	2,358,541	-10%	38,271,629
AUD				
If RMB strengthens against AUD	10%	-781,619	10%	-2,440,318
If RMB weakens against AUD	-10%	781,619	-10%	2,440,318
CHF				
If RMB strengthens against CHF	10%	-665,689	10%	262,606
If RMB weakens against CHF	-10%	665,689	-10%	-262,606
JPY				
If RMB strengthens against JPY	10%	987,726	10%	4,278,077
If RMB weakens against JPY	-10%	-987,726	-10%	-4,278,077
USD				
If RMB strengthens against USD	10%	6,311,245	10%	-2,831,655
If RMB weakens against USD	-10%	-6,311,245	-10%	2,831,655



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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. 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, 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	40,972,638
Bills payable	8,703,157,466
Accounts payable	8,692,091,331
Employee benefits payable	260,710,380
Taxes payable (excluding enterprise income tax payable)	161,073,601
Other payables	3,741,622,316
Long-term borrowings (including long-term borrowings due within 1 year)	56,612,449
Lease liabilities (including lease liabilities due within 1 year)	433,124,534
Long-term payables	—
Less: Cash and cash equivalents	4,389,571,295
Net liabilities	17,699,793,420
Equity attributable to shareholders of the Parent Company	42,486,863,432
Capital and net liabilities	60,186,656,852
Gearing ratio	29.41%

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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



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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	62,737,645	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	137,125,000	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	556,217,325	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	Commercial acceptances accepted by commercial banks with high creditworthiness	18,839,184	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	1,637,268,511	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>2,412,187,665</u>	/	/

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Transfer of financial assets (continued)

(2) Financial assets derecognized due to transfer

☒ Applicable ☐ Not applicable

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	556,217,325	—
Bankers' acceptances	Discounting	1,637,268,511	4,776,215
Commercial acceptances	Discounting	18,839,184	87,893
Total	/	<u>2,212,325,020</u>	<u>4,864,108</u>

(3) Transferred financial assets that continue to be involved

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable



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For the year ended 31 December 2025
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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	-	1,000,300,274	-	1,000,300,274
(II) Trade receivables financing	-	3,693,354,480	-	3,693,354,480
(III) Other equity instrument investments	-	-	285,062,700	285,062,700
Total assets measured at fair value on a recurring basis	-	4,693,654,754	285,062,700	4,978,717,454

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 and trade receivables financing 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 using forward exchange rates (derived from observable forward exchange rates at the balance sheet date) and the contracted forward rates, and are discounted at a rate that reflects the counterparty's credit risk. The unobservable input value for accounts receivable financing is the discount rate.

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 other equity instrument investments is determined based on the method of discounted cash flow analysis. Unobservable inputs include weighted average cost of capital and long-term income growth rate.

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For the year ended 31 December 2025
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XIII. DISCLOSURE OF FAIR VALUE (continued)

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)
1st January 2025	266,823,520
Movements in fair value for the period	18,239,180
31 December 2025	285,062,700

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 31 December 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



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For the year ended 31 December 2025
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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Parent of the Company

☒ Applicable ☐ Not applicable

Unit: '0000 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.

Other information:

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".

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.

Notes to the Financial Statements



For the year ended 31 December 2025
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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

Other information

☐ 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
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
China Railway Inspection and Certification Zhuzhou Traction Electrical Equipment Inspection Station Co., Ltd	Company controlled by CRRC ZELRI
Xiangyang CRRC Motor Technology Co., Ltd	Company controlled by CRRC ZELRI
Yibin CRRC Times New Energy Co., Ltd	Company controlled by CRRC ZELRI
Hunan Lixing Power 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
CRRC Shanghai Hange Marine Engineering Co., Ltd	Company controlled by CRRC ZELRI
Tianjin CRRC Wind Energy Technology Co., Ltd	Company controlled by CRRC ZELRI
Jixi CRRC New Energy Equipment Co., Ltd	Company controlled by CRRC ZELRI
Hami CRRC Times 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
Ningxia CRRC New Energy Co., Ltd. Haiyuan Branch	Company controlled by CRRC ZELRI



Notes to the Financial Statements

For the year ended 31 December 2025
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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
Shenyang Westinghouse Brake Technology Co., Ltd	Joint venture of the ultimate holding group other than CRRZ ZELRI Group
CRRZ Shenzhen Railway Vehicles Co., Ltd	Joint venture of the ultimate holding group other than CRRZ ZELRI Group
Changzhou Langrui Dongyang Transmission Technology Co., Ltd	Joint venture of the ultimate holding group other than CRRZ ZELRI Group
Dalian Toshiba Locomotive Electrical Equipment Co., Ltd	Joint venture of the ultimate holding group other than CRRZ ZELRI Group
Changchun Changke Alstom Rolling Stock Co., Ltd	Joint venture of the ultimate holding group other than CRRZ ZELRI Group
Qingdao Sifang Fawerail Rail Brake Co., Ltd	Joint venture of the ultimate holding group other than CRRZ ZELRI Group
Zhuzhou Electric Vehicle Demonstration Operation Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
CRRZ DATONG SEMCO RAILWAY TRAFFIC CO., LTD.	Associate of the ultimate holding group other than CRRZ ZELRI Group
Guangzhou Electric Locomotive Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Beijing Nankou SikaiLu Railway Bearing Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Zhuzhou Jiufang Casting Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Taiyuan Yingfeng Rolling Stock Casting Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Ziyang Zhonggong Locomotive Transmission Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Guangzhou Junfa Electrical Equipment Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Taiyuan Shenghao Construction and Installation Engineering Co., Ltd.	Associate of the ultimate holding group other than CRRZ ZELRI Group
Qingdao Metro Rail Transit Intelligent Maintenance Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Chengdu Changke Xinzhu Rail Transit Equipment Co., Ltd	Associate of the ultimate holding group other than CRRZ 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
Nanjing Rail Transit Industry Development Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Taiyuan Jingwei Machinery Manufacturing 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
Tianjin Electric Locomotive Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Shanghai Alstom Transport Electrical Equipment 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 Beijiufang Rail Transit Technology Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Taizhou Changxing Rail Transit Operation Management Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
ABB Datong Traction Transformers Co., Ltd.	Associate of the ultimate holding group 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 Zhuzhou Motor 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
Shanghai CRRC Ruibode Intelligent Systems 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
Nanjing CRRC Logistics Service Co., Ltd	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
Zhuzhou CRRC Logistics 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



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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
Beijing CRRC Intelligent Equipment 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
Changzhou CRRC Ruitai Equipment Technology 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
CRRC Taiyuan Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhuzhou Shidai Ruiwei Damping Equipment 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
CRRC Datong Electric Locomotive 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 Qishuyan Locomotive 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
Chengdu CRRC Railway 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
BOGE Rubber&Plastics (Zhuzhou) 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
Meishan CRRC Brake 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
Zhuzhou CRRC Tianli Forging 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 Zhuzhou Vehicle 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
Beijing CRRC Saide Railway Electrical Technology 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
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
Meishan CRRC Fastener 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
Xi'an CRRC Yongdian Jietong Electric 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 Times Electric Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zetong machinery Co.Ltd of Dalian Economic and Technological Development Zone.	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
CRRC Qingdao Sifang Vehicle Research Institute 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
CRRC Logistics 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
Ningbo CRRC Zhiwei Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao Kamax Buffer Equipment 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
CRRC Brake System 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
Beijing CRRC Testing & Certification 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
China Railway Inspection and Certification (Qingdao) Vehicle Inspection Station Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CHANGCHUN RAILWAY VEHICLES TECHNOLOGY DEVELOPMENT CO.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC INVESTMENT& LEASING CO., LTD	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Tianjin CRRC Financial Leasing 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
CRRC Qingdao Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Smart Technology (Xiong'an) 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
CRRC Corporation Limited	Controlling shareholders of CRRC ZELRI
CRRC Industrial Research Institute 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
CSR Investment Management 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
Taiyuan CRRC Rail Transit Equipment 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 Shentong Rail Transit Vehicle 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
Hefei CRRC Rail Transit Vehicle 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
Tianjin CRRC Tangche Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changchun Railway Vehicles 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
Kunming CRRC Rail Transit Equipment 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
Shijiazhuang CRRC Rail Transit Equipment 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
Zhengzhou CRRC Sifang Rolling Stock 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
Jiangsu CRRC Urban Development 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
Foshan CRRC Sifang Rolling Stock 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
Tianjin CRRC Sifang Rolling Stock 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 Xi'an Vehicle Co., Ltd	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
Jiangxi CRRC Changchun Railway Vehicles 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
Guangzhou CRRC Rail Transit Equipment 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
CRRC Shenyang Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Jinhua CRRC Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shanghai Shentong Changke Rail Transit Vehicle 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 Environmental Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao CRRC Times New Energy Materials Technology 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
Hunan CRRC Environmental Engineering Co., Ltd	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
Changde CRRC New Energy Vehicle 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
Chongqing Hengtong Bus 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
CRRC Shandong Rolling Stock 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
Qingdao Sifang Alstom Railway Transportation Equipment 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
CRRC New Infrastructure Investment Development Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shijiazhuang Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuxi Jixing New Energy 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 Tianjin Railway Vehicles 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
Quanzhou CRRC Tangche Rolling Stock 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

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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 Qingdao Sifang Rolling Stock Co., Ltd	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
Zhuzhou Shidai Huaxian Material Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao CRRC New Energy Vehicle 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 Dalian 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
CRRC Shandong Wind Power 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
CRRC Changjiang 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
SUZHOU CRRC RAIL TRANSPORT CO., LTD.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuhan CRRC Sifang Maintenance Center Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Cangzhou CRRC ZELC Rail Equipment Service 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
Jinan CRRC Sifang Rail Transit Equipment 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
Luoyang CRRC Rail Transit Equipment 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
Jiangsu CRRC Hydrogen Core Power Technology 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
Wuhan CRRC Electric Traction Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhuzhou Shidai New Material Technology 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
Wuhan CRRC Changke Railway Vehicles 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
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 Zhuzhou Electric Locomotive Industry Management Co., Ltd. Times Branch	Company controlled by the ultimate holding party other than CRRC ZELRI Group
BOGE Elastmetall GmbH	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC (HongKong) Co. Limited	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Kuala Lumpur Maintenance SDN B	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Railway Vehicles(M) Sdn Bhd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Singapore CRRC Sifang Railway Vehic	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC ZELRI Group Fuzhou Financial Investment Intelligent Rail Transit Equipment Co., Ltd	Joint venture of CRRC ZELRI
Zhuzhou CRRC Times Investment Co., Ltd	Joint venture of CRRC ZELRI
Zhouzhou Guochuang Rail Technology Co., Ltd	Associate of CRRC ZELRI
Hunan Motor Vehicle Testing Technology Co., Ltd	Associate of CRRC ZELRI
Ningbo Jiangbie Jiufang Horong Electric Co., Ltd	Associate of CRRC ZELRI
Sichuan CRRC Railway Investment Rail Transit Co., Ltd.	Associate of 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
Guizhou Shidai Green Equipment 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
Zhangye Yihui 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
Linfen Yihui Era Times New Energy Co., Ltd.	Companies controlled by the joint venture of CRRC ZELRI
Liling Xinxin 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	



Notes to the Financial Statements

For the year ended 31 December 2025
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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	8,948,801	2,432,739
Associates of the ultimate holding group other than CRRC ZELRI Group	Purchase of goods	2,911,609	11,524,771
Associates of the ultimate holding group other than CRRC ZELRI Group	Receipt of services	5,162,056	2,550,753
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Purchase of goods	860,991,064	930,570,083
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Receipt of services	79,778,760	73,262,649
Joint ventures of the Company	Purchase of goods	94,034,342	39,859,264
Joint ventures of the Company	Receipt of services	18,054	–
Associates of the Company	Purchase of goods	22,760,900	17,236,928
Associates of the Company	Receipt of services	18,239,672	2,650,943
Companies controlled by CRRC ZELRI	Purchase of goods	721,709,486	812,925,992
Companies controlled by CRRC ZELRI	Receipt of services	13,884,242	11,188,780
CRRC ZELRI	Purchase of goods	–	12,483,186
CRRC ZELRI	Receipt of services	127,004,529	135,144,160
Joint ventures of CRRC ZELRI	Purchase of goods	2,715,726	1,991,159
Associates of CRRC ZELRI	Purchase of goods	63,396,134	–
Associates of CRRC ZELRI	Receipt of services	1,072,014	805,660
Total		2,022,627,389	2,054,627,067

Notes to the Financial Statements



For the year ended 31 December 2025
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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)

Sale of goods/rendering 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	Sales of good	177,323,622	192,532,104
Joint ventures of the ultimate holding group other than CRRC ZELRI Group	Rendering of services	5,778,796	4,021,375
Associates of the ultimate holding group other than CRRC ZELRI Group	Sales of good	8,457,407	47,639,869
Associates of the ultimate holding group other than CRRC ZELRI Group	Rendering of services	8,120,933	11,318,639
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Sales of good	7,991,850,948	6,810,450,748
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Rendering of services	2,116,786,509	2,244,994,442
Joint ventures of the Company	Sales of good	99,857,404	79,077,886
Joint ventures of the Company	Rendering of services	1,800,000	1,793,633
Associates of the Company	Sales of good	125,244,658	54,669,361
Associates of the Company	Rendering of services	600,000	600,000
Controlling shareholders of CRRC ZELRI	Rendering of services	471,698	—
Companies controlled by CRRC ZELRI	Sales of good	238,171,458	79,728,465
Companies controlled by CRRC ZELRI	Rendering of services	3,953,799	6,433,605
CRRC ZELRI	Sales of good	417,682,965	206,715,700
CRRC ZELRI	Rendering of services	9,761,712	11,337,857
Joint ventures of CRRC ZELRI	Rendering of services	13,053	35,790
Associates of CRRC ZELRI	Sales of good	12,707,965	—
Companies controlled by the joint venture	Sales of good	43,785,568	19,511,687
Total		11,262,368,495	9,770,861,161

Descriptions on purchases and sales of goods, rendering and receipt of services

□ Applicable ✓ Not applicable

(2) Related party trusteeship/contracting/outsourcing arrangement

Trusteeship/contracting of the Company

□ Applicable ✓ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
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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 (continued)

Entrusted management/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	2,530,900	644,146
Joint venture of the company	10,021	6,759
Associate of the company	614,708	553,480
Companies controlled by CRRC ZELRI	6,462,117	6,175,875
CRRC ZELRI	11,149,692	4,266,722
Companies controlled by the joint venture of CRRC ZELRI	10,724,074	11,094,428
Total	31,491,512	22,741,410

Notes to the Financial Statements



For the year ended 31 December 2025
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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(3) Leases with related parties (continued)

The Company as the lessee:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of lessor	Current period					Prior period				
	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	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
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	626,441	-	9,427,075	448,222	12,162,236	3,130,221	-	8,580,401	318,560	8,949,472
CRRC ZELRI	-	-	2,924,443	82,316	2,013,898	-	-	2,130,222	88,151	3,747,230
Companies controlled by CRRC ZELRI	-	-	314,435	12,436	584,478	-	-	-	-	-
Joint ventures of the ultimate holding group other than CRRC ZELRI Group	-	-	1,592,453	139,074	5,553,287	-	-	-	-	-
Associates of the ultimate holding group other than CRRC ZELRI Group	144,000	-	49,342	5,164	131,737	132,110	-	-	-	-
Total	770,441	-	14,307,748	687,212	20,445,636	3,262,331	-	10,710,623	406,711	12,696,702

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



Notes to the Financial Statements

For the year ended 31 December 2025
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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				
CRRC ZELRI	1,094,668,556	2025/3/21	2026/3/19	APR2.00%
CRRC ZELRI	3,001,833	2025/3/24	2026/3/19	APR2.00%
CRRC ZELRI	140,433,402	2025/12/29	2026/12/25	APR2.00%
Controlling shareholders of CRRC ZELRI	53,293,816	2015/9/29	2030/9/28	APR1.08%

(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	15,987,366	14,697,708

1) Remuneration of directors, supervisors and the chief executive

Unit: Yuan Currency: RMB

Type of compensation	Current period	prior period
Director's emoluments	695,127	777,809
Other compensation:	—	—
Base salary	700,279	1,268,868
Performance-based bonus	1,007,425	401,172
Social insurance contributions and housing provident fund	148,305	197,145
Pension contributions	162,717	195,654
Subtotal	2,018,726	2,062,839
Total	2,713,853	2,840,648

Notes to the Financial Statements



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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

1) Remuneration of directors, supervisors and the chief executive (continued)

The remuneration and welfare contributions of each director, supervisor and chief executive officer for the year 2025 are as follows:

Unit: Yuan Currency: RMB

	Director's emoluments	Base salary	Performance- based bonus	Total remuneration before tax	Social insurance contributions and housing provident fund	Pension contributions	Total compensation
Executive Director							
Donglin Li	-	-	-	-	-	-	-
Jing Shang	-	-	-	-	-	-	-
Shaolong Xu	-	500,900	669,744	1,170,644	71,588	94,482	1,336,714
Subtotal	-	500,900	669,744	1,170,644	71,588	94,482	1,336,714
Non-Executive Director							
Independent Non-Executive Director							
Kaiguo Li	119,048	-	-	119,048	-	-	119,048
Zhaofeng Lin	270,333	-	-	270,333	-	-	270,333
Ningye Zhong	119,048	-	-	119,048	-	-	119,048
Xiaoyun Feng	119,048	-	-	119,048	-	-	119,048
Subtotal	627,477	-	-	627,477	-	-	627,477
Employee Director							
Zhiman Chen	-	15,300	163,644	178,944	5,961	5,316	190,221
Supervisor							
Lue Li	-	-	-	-	-	-	-
Zhulin Shen	-	101,346	114,666	216,012	35,804	33,206	285,022
Shaojie Liu	-	82,733	59,371	142,104	34,952	29,713	206,769
Jianxin Geng	67,650	-	-	67,650	-	-	67,650
Subtotal	67,650	184,079	174,037	425,766	70,756	62,919	559,441
Total	695,127	700,279	1,007,425	2,402,831	148,305	162,717	2,713,853



Notes to the Financial Statements

For the year ended 31 December 2025
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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

1) Remuneration of directors, supervisors and the chief executive (continued)

The remuneration and welfare contributions of each director, supervisor and chief executive officer for the year 2024 are as follows:

Unit: Yuan Currency: RMB

	Director's emoluments	Base salary	Performance- based bonus	Total remuneration before tax	Social insurance contributions and housing provident fund	Pension contributions	Total compensation
Executive Director							
Donglin Li	-	-	-	-	-	-	-
Ke'an Liu	-	-	-	-	-	-	-
Jing Shang	-	190,000	-	190,000	22,606	29,636	242,242
Shaolong Xu	-	280,300	95,000	375,300	40,722	48,424	464,446
Subtotal	-	470,300	95,000	565,300	63,328	78,060	706,688
Non-executive Director							
Xinning Zhang	-	-	-	-	-	-	-
Independent Non-Executive Director							
Kaiguo Li	119,048	-	-	119,048	-	-	119,048
Zhaofeng Lin	270,333	-	-	270,333	-	-	270,333
Ningye Zhong	119,048	-	-	119,048	-	-	119,048
Xiaoyun Feng	50,745	-	-	50,745	-	-	50,745
Feng Gao	71,058	-	-	71,058	-	-	71,058
Subtotal	630,232	-	-	630,232	-	-	630,232
Supervisor							
Zhulin Shen	-	409,080	277,272	686,352	68,980	60,701	816,033
Shaojie Liu	28,529	389,488	28,900	446,917	64,837	56,893	568,647
Lue Li	-	-	-	-	-	-	-
Jianxin Geng	119,048	-	-	119,048	-	-	119,048
Subtotal	147,577	798,568	306,172	1,252,317	133,817	117,594	1,503,728
Total	777,809	1,268,868	401,172	2,447,849	197,145	195,654	2,840,648

Notes to the Financial Statements



For the year ended 31 December 2025
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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

2) The Group's five highest-paid employees

	For the year 2025	For the year 2024
director, supervisor and chief executive officer	1	–
Non-director and non-supervisor employees	4	5
Total	5	5

The remuneration paid to the aforementioned non-director, non-supervisor and non-chief executive officer highest-paid employees is as follows:

Unit: Yuan Currency: RMB

	Current period	Prior period
Base salary	1,017,012	2,264,600
Performance-based bonus	4,280,231	3,495,013
Social insurance contributions and housing provident fund	286,221	344,898
Pension contributions	298,580	395,585
Total	5,882,044	6,500,096

The number of such non-director, non-supervisor and non-chief executive officer employees whose remuneration falls within the following bands is as follows:

	For the year 2025	For the year 2024
HKD1,000,001 to HKD1,500,000	–	4
HKD1,500,001 to HKD2,000,000	4	1



Notes to the Financial Statements

For the year ended 31 December 2025
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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>14,687,473</u>	<u>1,976,443,020</u>

Other non-current assets (Fixed deposits)

Unit: Yuan Currency: RMB

Related parties	Closing balance	Opening balance
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	<u>1,945,369,863</u>	<u>—</u>

Large-denomination certificates of deposit purchased from related parties

Unit: Yuan Currency: RMB

Related parties	Current period	Prior period
Associates of the Company	<u>40,000,000</u>	<u>—</u>

Notes to the Financial Statements



For the year ended 31 December 2025
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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(8) Other related party transactions (continued)

Interest income

Unit: Yuan Currency: RMB

Related parties	Current period	Prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	47,510,966	6,801,943

Interest expense

Unit: Yuan Currency: RMB

Related parties	Current period	Prior period
CRRC ZELRI	17,452,848	—
Controlling shareholder of CRRC ZELRI	642,101	769,014
Total	18,094,949	769,014

Purchases of energy from related parties

Unit: Yuan Currency: RMB

Related parties	Current period	Prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	1,624,193	1,490,342
Companies controlled by CRRC ZELRI	150,000	—
Total	1,774,193	1,490,342



Notes to the Financial Statements

For the year ended 31 December 2025
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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
Notes receivable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	3,510,569,098	1,619,034,654
Notes receivable	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	100,100,126	38,364,420
Notes receivable	Associates of the ultimate holding group other than CRRC ZELRI Group	186,152,519	2,800,000
Notes receivable	CRRC ZELRI	206,958,573	–
Accounts receivable (including long-term receivables)	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	202,820	123,851,293
Accounts receivable (including long-term receivables)	Associates of the ultimate holding group other than CRRC ZELRI Group	23,403,649	113,122,279
Accounts receivable (including long-term receivables)	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	4,147,503,099	3,697,052,940
Accounts receivable (including long-term receivables)	Joint ventures of the Company	46,899,150	65,162,707
Accounts receivable (including long-term receivables)	Associates of the Company	80,791,911	17,149,457
Accounts receivable (including long-term receivables)	Companies controlled by CRRC ZELRI	137,181,758	61,162,725
Accounts receivable (including long-term receivables)	CRRC ZELRI	202,349,438	41,552,743
Accounts receivable (including long-term receivables)	Joint ventures of CRRC ZELRI	–	8,582
Accounts receivable (including long-term receivables)	Associates of CRRC ZELRI	1,436,000	–
Accounts receivable (including long-term receivables)	Companies controlled by joint ventures of CRRC ZELRI	84,229,235	99,630,276
Prepayments	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	4,460,893	1,808,084
Prepayments	CRRC ZELRI	1,410	1,410
Prepayments	Companies controlled by CRRC ZELRI	13,845,000	6,379
Prepayments	Companies controlled by joint ventures of CRRC ZELRI	922,830	7,871,580
Prepayments	Associates of the ultimate holding group other than CRRC ZELRI Group	10,326	–

Notes to the Financial Statements



For the year ended 31 December 2025
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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
Contract assets	Associates of the ultimate holding group other than CRRC ZELRI Group	173,148	1,506,502
Contract assets	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	218,178,682	160,543,528
Contract assets	Companies controlled by CRRC ZELRI	407,334	1,910,798
Contract assets	Associates of the Company	115,000	1,639,426
Contract assets	Joint venture of the Company	98,500	—
Contract assets	CRRC ZELRI	1,699,882	12,879,300
Contract assets	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	5,139,447	—
Contract assets	Companies controlled by the joint venture company of CRRC ZELRI Group	11,835,471	—
Dividend Receivable	Associates of the Company	240,000	—
Other receivables	Associates of the ultimate holding group other than CRRC ZELRI Group	10,000	25,000
Other receivables	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	21,159,454	20,553,714
Other receivables	Associates of the Company	—	13,796
Other receivables	CRRC ZELRI	1,320,144	1,433,430
Other receivables	Companies controlled by CRRC ZELRI	—	63,313
Other receivables	Companies controlled by the joint venture of CRRC ZELRI	18,880,833	13,021,500
Other receivables	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	428,611	—
Accounts receivables financing	Associates of the ultimate holding group other than CRRC ZELRI Group	366,416,250	786,334,041
Accounts receivables financing	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	96,662,235	124,614,454
Accounts receivables financing	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	1,568,356,070	1,390,236,093



Notes to the Financial Statements

For the year ended 31 December 2025
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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
Accounts receivables financing	Companies controlled by CRRC ZELRI	18,497,150	27,943,428
Accounts receivables financing	CRRC ZELRI	97,104,923	253,299,795
Accounts receivables financing	Associates of CRRC ZELRI	53,865	896,521
Accounts receivables financing	Associates of the Company	4,473	—
Other non-current assets (excluding fixed deposits)	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	39,016,200	80,747,134
Other non-current assets (excluding fixed deposits)	Associates of the ultimate holding group other than CRRC ZELRI Group	18,909,432	18,408,175
Other non-current assets (excluding fixed deposits)	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	146,964,574	272,393,184
Other non-current assets (excluding fixed deposits)	Companies controlled by CRRC ZELRI	581,020	390,364
Other non-current assets (excluding fixed deposits)	CRRC ZELRI	6,724,985	9,000,093
Other non-current assets (excluding fixed deposits)	Joint ventures of the Company	203,940	—
Other non-current assets (excluding fixed deposits)	Companies controlled by the joint venture of CRRC ZELRI	523,896	—
Other non-current assets (excluding fixed deposits)	Associate of the Company	1,155,565	430,274

Notes to the Financial Statements



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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
Notes payable	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	220,965	347,608
Notes payable	Associates of the ultimate holding group other than CRRC ZELRI Group	460,349	370,189
Notes payable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	210,501,086	28,247,130
Notes payable	Companies controlled by CRRC ZELRI	139,308,888	15,312,416
Notes payable	Associates of CRRC ZELRI	35,366	2,287,198
Notes payable	Associates of the Company	17,352,985	4,808,479
Notes payable	Joint ventures of the Company	23,288,167	7,832,315
Notes payable	Joint ventures of CRRC ZELRI	425,895	—
Notes payable	Companies controlled by the joint venture of CRRC ZELRI	32,389,229	—
Accounts payable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	466,226,176	434,746,207
Accounts payable	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	3,096,652	1,182,317
Accounts payable	Associates of the ultimate holding group other than CRRC ZELRI Group	6,919,342	8,600,879
Accounts payable	Associates of the Company	6,108,466	54,371,944
Accounts payable	Joint ventures of the Company	71,137,677	70,773,959
Accounts payable	Companies controlled by CRRC ZELRI	204,843,915	365,977,995
Accounts payable	Joint ventures of CRRC ZELRI	9,602,514	35,811,565
Accounts payable	CRRC ZELRI	—	9,032,114
Accounts payable	Associates of CRRC ZELRI	8,810,466	—
Accounts payable	Companies controlled by the joint venture of CRRC ZELRI	14,936,353	57,358,694
Dividend payable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	418,000	—



Notes to the Financial Statements

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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
Other payables	CRRZ ZELRI	1,631,124,111	381,183,018
Other payables	Companies controlled by CRRZ ZELRI	9,138,901	7,434,002
Other payables	Associates of the ultimate holding group other than CRRZ ZELRI Group	32,910	292,911
Other payables	Joint ventures of the ultimate holding group other than CRRZ ZELRI Group	20,000	20,000
Other payables	Companies controlled by the ultimate holding party other than CRRZ ZELRI Group	39,692,339	72,651,285
Other payables	Associates of the Company	2,285,732	5,754,096
Other payables	Joint ventures of CRRZ ZELRI	—	123,805
Other payables	Joint ventures of the Company	170,238	—
Other payables	Associates of CRRZ ZELRI	756,557	5,191,917
Contract liabilities	Companies controlled by the ultimate holding party other than CRRZ ZELRI Group	18,656,409	21,356,657
Contract liabilities	Associates of the ultimate holding group other than CRRZ ZELRI Group	4,104,819	—
Contract liabilities	CRRZ ZELRI	—	7,256,637
Contract liabilities	Companies controlled by CRRZ ZELRI	8,365,231	3,265,487
Contract liabilities	Associates of CRRZ ZELRI	—	9,975,190
Contract liabilities	Joint ventures of the Company	1,306,196	—
Contract liabilities	Companies controlled by the joint venture of CRRZ ZELRI	14,159,292	—
Contract liabilities	Associates of the Company	380,708	380,708

Notes to the Financial Statements



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RMB

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
Non-current liabilities due within one year	Controlling Shareholder of CRRC ZELRI	4,605,816	9,022,337
Non-current liabilities due within one year	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	6,080,954	4,231,252
Non-current liabilities due within one year	Companies controlled by CRRC ZELRI	143,254	—
Non-current liabilities due within one year	Associates of the ultimate holding group other than CRRC ZELRI Group	182,944	—
Non-current liabilities due within one year	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	2,015,192	—
Non-current liabilities due within one year	CRRC ZELRI	1,024,765	897,116
Long-term borrowings	Controlling shareholders of CRRC ZELRI	48,688,000	58,688,000
Lease liabilities	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	3,824,809	2,491,126
Lease liabilities	Companies controlled by CRRC ZELRI	140,144	—
Lease liabilities	Associates of the ultimate holding group other than CRRC ZELRI Group	52,107	—
Lease liabilities	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	2,084,716	—
Lease liabilities	CRRC ZELRI	48,445	—

(3) Other Items

☐ Applicable ☒ Not applicable

7. Related party commitments

☐ Applicable ☒ Not applicable

8. Others

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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 cancellation of share-based payment

☐ Applicable ☒ Not applicable

6. Others

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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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	2,582,048,041	3,044,802,014
– Investments in associates/joint ventures	68,257,869	144,252,400
– Investment in subsidiaries	–	–
Total	2,650,305,910	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



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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 (2) Profit appropriations based on the resolution after the balance sheet date.

3. Sales returns

☐ Applicable ☒ Not applicable

4. Description of other events after the balance sheet date

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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XVIII. OTHER SIGNIFICANT EVENTS

1. Corrections of prior period accounting errors

For details, please refer to “Notes on changes in accounting policies and accounting estimates, and reason and impact of corrections of major accounting errors” in the “Significant matters” section.

2. Debt restructuring

☐ Applicable ☒ Not applicable

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.



Notes to the Financial Statements

For the year ended 31 December 2025
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XVIII. OTHER SIGNIFICANT EVENTS (continued)

6. Segment reporting (continued)

(2) Financial information of reporting segments

✓ Applicable ☐ Not applicable

Revenue from external customers

Unit: Yuan Currency: RMB

Item	Current period	inter-segment elimination	Total
Chinese Mainland	26,722,048,710	–	26,722,048,710
Other countries and regions	1,980,651,353	–	1,980,651,353
Total	28,702,700,063	–	28,702,700,063

Total non-current assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Chinese Mainland	19,182,786,225	14,511,640,260
Other countries and regions	311,666,763	555,314,263
Total	19,494,452,988	15,066,954,523

Note: Non-current assets are analysed by geographic locations where the assets are located, excluding financial assets and deferred tax assets.

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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>10,798,821,798</u>	<u>37.62</u>	<u>9,349,759,507</u>	<u>37.54</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

8. Other information

☒ Applicable ☐ Not applicable

Other financial information

(1) Net current assets and total assets less current liabilities

Unit: Yuan Currency: RMB

Item	31 December 2025		31 December 2024	
	The Group	The Company	The Group	The Company
Net current assets	<u>17,289,832,294</u>	<u>12,521,230,900</u>	27,836,493,602	20,033,819,242
Total assets less current liabilities	<u>47,533,893,136</u>	<u>38,967,936,677</u>	<u>46,072,724,105</u>	<u>38,860,511,528</u>



Notes to the Financial Statements

For the year ended 31 December 2025
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XVIII. OTHER SIGNIFICANT EVENTS (continued)

8. Other information (continued)

Other financial information (continued)

(2) Payment of pension plan

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payment of pension plan (Note)	408,483,970	348,684,199

As at 31 December 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.

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	4,096,540,421	3,702,585,914
Number of ordinary shares issued and outstanding during the period	1,369,962,912	1,411,931,512
Basic earnings per share (RMB per share)	2.99	2.62

(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.

Notes to the Financial Statements



For the year ended 31 December 2025
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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 1 year	7,938,982,191	7,333,451,376
Including: sub items within 1 year		
Within 6 months	6,729,151,015	6,536,082,691
6 months to 1 year	1,209,831,176	797,368,685
1 to 2 years	600,560,080	1,121,162,448
2 to 3 years	276,142,362	394,535,520
Over 3 years	347,340,912	265,329,926
Total	9,163,025,545	9,114,479,270
Less: Provision for credit loss	745,141,925	551,192,273
Book value	8,417,883,620	8,563,286,997



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision on individual basis	60,033,407	0.66	60,033,407	100.00	-	21,650,233	0.24	21,650,233	100.00	-
Provision on portfolio basis	9,102,992,138	99.34	685,108,518	7.53	8,417,883,620	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	7,292,683,366	79.58	160,442,902	2.20	7,132,240,464	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	1,344,980,528	14.68	462,574,365	34.39	882,406,163	1,818,591,344	19.95	412,312,763	22.67	1,406,278,581
Receivables from China Railway Corporation	43,720,085	0.48	22,134	0.05	43,697,951	103,453,814	1.14	54,897	0.05	103,398,917
Receivables from other customers	421,608,159	4.60	62,069,117	14.72	359,539,042	311,268,329	3.41	34,319,428	11.03	276,948,901
Total	9,163,025,545	100.00	745,141,925	/	8,417,883,620	9,114,479,270	100.00	551,192,273	/	8,563,286,997

Provision on individual basis

✓ Applicable ☐ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

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

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance		Reason for provision
		Credit loss allowance	Proportion of provision (%)	
Client 122664	27,094,913	27,094,913	100.00	Low probability of recovery
Client 124285	16,035,328	16,035,328	100.00	Low probability of recovery
Others	16,903,166	16,903,166	100.00	Low probability of recovery
Total	60,033,407	60,033,407	100.00	/

Description of provision on individual basis:

☐ Applicable ☒ Not applicable

Provision on portfolio basis:

☒ Applicable ☐ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
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XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

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

Portfolio item: Receivables from central state-owned enterprises other than China Railway Corporation

2025

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
Within 6 months	5,836,598,969	93,753,586	1.61
6 months to 1 year	1,015,360,546	5,332,001	0.53
1 to 2 years	298,611,808	19,750,055	6.61
2 to 3 years	82,019,835	12,732,482	15.52
Over 3 years	60,092,208	28,874,778	48.05
Total	7,292,683,366	160,442,902	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
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

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

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

Portfolio item: Accounts receivable from local government or local state-owned enterprise

2025

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
Within 6 months	479,718,343	87,386,880	18.22
6 months to 1 year	171,895,310	43,502,681	25.31
1 to 2 years	278,044,949	100,038,275	35.98
2 to 3 years	171,099,619	86,558,331	50.59
Over 3 years	244,222,307	145,088,198	59.41
Total	1,344,980,528	462,574,365	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
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



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

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

Portfolio item: Receivables from China Railway Corporation

2025

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
Within 6 months	37,918,283	19,196	0.05
6 months to 1 year	5,801,802	2,938	0.05
1 to 2 years	—	—	—
2 to 3 years	—	—	—
Over 3 years	—	—	—
Total	43,720,085	22,134	—

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
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

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

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

Portfolio item: Receivables from other customers

2025

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
Within 6 months	360,595,921	41,085,219	11.39
6 months to 1 year	16,324,447	1,681,558	10.30
1 to 2 years	11,034,382	2,818,761	25.55
2 to 3 years	19,163,161	8,013,587	41.82
Over 3 years	14,490,248	8,469,992	58.45
Total	421,608,159	62,069,117	

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
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



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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	Other Changes	
Lifetime ECL (not credit-impaired)	174,486,389	220,491,963	-122,607,091	–	392,798	272,764,059
Lifetime ECL (credit-impaired)	376,705,884	–	122,607,091	54,123,548	27,188,439	472,377,866
Total	551,192,273	220,491,963	–	54,123,548	27,581,237	745,141,925

Significant recoveries or reversals during the current period:

☐ Applicable ☒ Not applicable

Other information

None

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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

(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
Client 100507	1,350,583,073	13,164,556	1,363,747,629	12.81	31,963,587
Client 93000	1,254,158,335	–	1,254,158,335	11.78	–
Client 100928	805,927,107	–	805,927,107	7.57	19,027,436
Client 99004	433,320,135	–	433,320,135	4.07	–
Client 103233	94,750,550	329,863,717	424,614,267	3.99	106,110,035
Total	<u>3,938,739,200</u>	<u>343,028,273</u>	<u>4,281,767,473</u>	<u>40.22</u>	<u>157,101,058</u>

Other information

The closing balance of contract assets includes the contracts assets presented in Other Non-current Assets

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
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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	313,935,000	—
Other receivables	2,584,446,138	882,837,150
Total	2,898,381,138	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

Description of bad debt provisioning by individual item:

☐ Applicable ☒ Not applicable

Provision for bad debts by portfolio:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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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)

Provision for bad debts by general model of expected credit losses

☐ Applicable ☒ Not applicable

Basis for division of each stage and provision ratio for bad debts

None

Description of significant movements in the carrying amount of interests receivable which have seen changes in loss allowance in the current period:

☐ 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



Notes to the Financial Statements

For the year ended 31 December 2025
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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
Qingdao CRRC Electric	495,000	—
Ningbo CRRC Electric	13,200,000	—
CRRC Times Software	300,000,000	—
Foshan Zhongshi	240,000	—
Total	313,935,000	—

(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

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

None

Description of dividends receivable with significant fluctuations in carrying amount during the current period that resulted in changes in the loss allowance:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2025
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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



Notes to the Financial Statements

For the year ended 31 December 2025
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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 1 year	1,896,251,988	351,239,665
Including: subitems within 1 year		
Within 6 months	646,513,758	251,561,883
6 months to 1 year	1,249,738,230	99,677,782
1-2 years	188,895,951	461,950,343
2-3 years	457,305,211	9,719,184
Over 3 years	56,846,086	71,268,966
Total	2,599,299,236	894,178,158
Less: provision for credit loss	14,853,098	11,341,008
Carrying amount	2,584,446,138	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	2,437,265,929	713,891,011
Deposits and guarantees	47,993,721	70,388,970
Subscribed capital receivable	50,000,000	50,000,000
Others	64,039,586	59,898,177
Total	2,599,299,236	894,178,158

Notes to the Financial Statements



For the year ended 31 December 2025
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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
Balance at January 1, 2025 for the current period	11,341,008	—	—	11,341,008
Additions during the period	8,450,749	—	199,391	8,650,140
Reversals during the period	5,138,050	—	—	5,138,050
Transfer out during the period	—	—	—	—
Written-off during the period	—	—	—	—
Other changes	—	—	—	—
Balance at 31 December 2025	14,653,707	—	199,391	14,853,098

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

None

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



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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	Provision	Change amount in the current period			Closing balance
			Recoveries or reversal	Transfers out or written-off	Other Changes	
Bad debt provision for other receivables	11,341,008	8,650,140	5,138,050	—	—	14,853,098
Total	11,341,008	8,650,140	5,138,050	—	—	14,853,098

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

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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
Client 99231	1,494,926,444	57.51	Amounts due from subsidiaries	Within 1 year	–
Client 202021	317,488,023	12.21	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years and over 3 years	–
Client 99099	166,976,664	6.42	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, and 2 to 3 years	–
Client 99001	159,109,282	6.12	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years and over 3 years	–
Client 99013	152,568,804	5.87	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, and 2 to 3 years	–
Total	2,291,069,217	88.14	/	/	–

(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	11,569,671,310	450,771,551	11,118,899,759	11,485,150,062	450,771,551	11,034,378,511
Investments in joint ventures and associates	268,307,595	–	268,307,595	307,456,129	–	307,456,129
Total	11,837,978,905	450,771,551	11,387,207,354	11,792,606,191	450,771,551	11,341,834,640



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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 (Carrying amount)	Movements during the period				Closing balance (Carrying amount)	Provision for impairment at the end of the period
		Opening balance of impairment provision	Additional investments	Reduction in investments	Provisions for impairment		
HK CRRC Times Electric	731,009,400	450,771,551	95,455,759	-	-	826,465,159	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	-	-	169,191,256	-	939,535,844	-
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	-	711,501	-	-	5,169,086,041	-
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 Era Electric Drive Technology Co., Ltd. in Indonesia	-	-	25,238,439	-	-	25,238,439	-
Taiyuan CRRC Times	-	-	169,191,256	-	-	169,191,256	-
CRRC Commercial Vehicle Power Technology	36,884,451	-	-	36,884,451	-	-	-
Total	11,485,150,062	450,771,551	290,596,955	206,075,707	-	11,569,671,310	450,771,551

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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	Additional investments	Reduction in investments	Changes for the period				Transfer out	Provision for impairment	Closing balance	Closing balance of impairment provision
				Investment income or loss recognised under equity method	Other equity changes	Cash dividend or profits declared					
I. Joint ventures											
Shiling	112,053,943	-	-	-3,120,799	-	-	-	-	-	108,933,144	-
LANP Electrical	4,910,899	-	-	-4,910,899	-	-	-	-	-	-	-
Shanghai shenzhong	8,846,894	-	-	-327,162	-	200,000	-	-	-	8,319,732	-
Zhengzhou Times	17,523,341	-	-	603,153	-	3,750,000	-	-	-	14,376,494	-
Sub-total	143,335,077	-	-	-7,755,707	-	3,950,000	-	-	-	131,629,370	-
II. Associates											
Zhuzhou Siemens	46,993,480	-	-	-116,131	-	-	-	-	-	46,877,349	-
Guoxin Technology	51,657,931	-	25,000,000	340,568	-	-	744,098	-	-	26,254,401	-
Times Wabtec	18,491,464	-	-	-73,954	-	1,000,000	-	-	-	17,417,510	-
CRRC India	12,046,795	-	-	19,180	-	-	-	-	-	12,065,975	-
Wuxi Times	26,737,111	-	-	-409,023	-	-	-	-	-	26,328,088	-
Foshan Zhongshi	8,194,271	-	-	-179,369	-	280,000	-	-	-	7,734,902	-
Sub-total	164,121,052	-	25,000,000	-418,729	-	1,280,000	744,098	-	-	136,678,225	-
Total	307,456,129	-	25,000,000	-8,174,436	-	5,230,000	744,098	-	-	268,307,595	-

(3) Impairment testing of long-term equity investment

☐ Applicable ✓ Not applicable

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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		Prior period	
	Revenue	Cost of sales	Income	Cost of sales
Principal operating activities	13,580,507,250	9,732,775,755	12,713,316,196	9,767,644,024
Other operating activities	246,614,554	201,311,461	110,301,796	94,906,788
Total	13,827,121,804	9,934,087,216	12,823,617,992	9,862,550,812

(2) Revenue from contracts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Contract classification	Current period Revenue	Prior period Revenue
By geographic areas of sales		
Chinese Mainland	13,551,951,490	12,609,925,927
Other countries and regions	275,170,314	213,692,065
Total	13,827,121,804	12,823,617,992

Other information of revenue from contracts:

☐ 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.

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

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	1,583,730,817	2,648,158,898
Income/(loss) from long-term equity investments accounted for using the equity method	-8,174,436	7,193,764
Investment income from disposal of long-term equity	-25,287,958	—
Dividend income from investments in other equity instruments during the holding period	17,898,696	371,200
Income/(loss) arising from derecognition of financial assets measured at amortised cost	-2,148,750	-1,468,401
Investment income/(loss) from disposal of financial assets/liabilities held for trading	-362,118	37,218,813
Income/(loss) from derecognition of receivables financing	-1,670,193	-3,282,326
Others	-1,208,239	-850,500
Total	1,562,777,819	2,687,341,448

Other information:

None

6. Others

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

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
Gain/(loss) on disposal of non-current assets, including the portion	-1,080,488	/
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)	220,020,110	/
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	6,172,167	/
Reversal of provision for accounts receivable that are tested for impairment losses individually	11,621,146	/
Profit or loss from debt restructuring	-3,446,989	/
Other non-operating income or expenses other than the above	27,501,808	/
Less: Tax effect of non-recurring profit or loss	38,090,174	/
Effect on non-controlling interests, net of tax	26,121,613	/
Total	196,575,967	/

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

Notes to the Financial Statements



For the year ended 31 December 2025
RMB

XX. SUPPLEMENTARY INFORMATION (continued)

2. Return on net assets and earnings per share

✓ Applicable ☐ Not applicable

2025

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	9.81	2.99	2.99
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	9.34	2.85	2.85

2024

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	9.31	2.62	2.62
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	8.11	2.28	2.28



Notes to the Financial Statements

For the year ended 31 December 2025
RMB

XX. SUPPLEMENTARY INFORMATION (continued)

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: 27 March 2026

Modification Information

☐ Applicable ☒ Not applicable

"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 Science and Technology Innovation Board of the SSE and subscribed for and traded in Renminbi
"Articles" or "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" or "Board of Directors"	the board of Directors of the Company
"CNR"	former China CNR Corporation Limited (中國北車股份有限公司)
"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股份有限公司)
"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
"H Share(s)"	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\$

Definitions

"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
"PRC Accounting Standards"	Accounting Standards for Business Enterprises and relevant regulations issued by the Ministry of Finance of the PRC
"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
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"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
"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
"Supervisory Committee"	the supervisory committee of the Company, which has been abolished on 27 June 2025
"the year" or "the reporting period"	the financial year ended 31 December 2025



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

