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

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

(Stock Code: 3898)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "**Board**") of Zhuzhou CRRC Times Electric Co., Ltd. (the "**Company**") is pleased to announce the unaudited results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026. This announcement, containing the main text of the 2026 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to the information to accompany preliminary announcements of interim results. The 2026 interim report of the Company will be published and available for viewing on the website of the Stock Exchange at http://www. hkex.com.hk and on the website of the Company at http://www.tec.crrczic.cc on or before 30 September 2026.

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

Zhuzhou, China, 19 August 2026

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

Important Notice

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

II. WARNING OF SIGNIFICANT RISKS

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

III. ALL DIRECTORS OF THE COMPANY ATTENDED THE BOARD MEETING.

IV. THIS INTERIM REPORT WAS UNAUDITED.

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

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

The Company proposes to distribute cash dividends to the Shareholders based on the total number of Shares determined on the record date fixed for the equity distribution which will be specified in the equity distribution implementation announcement. The Company proposes to distribute cash dividends of RMB4.60 (tax inclusive) for every ten Shares held by Shareholders, totaling RMB612,123,569.52 based on the total share capital of the Company of 1,330,703,412 shares as at 31 July 2026, accounting for 35.75% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for the first half of 2026. In case of any change in the total share capital of the Company from the date of the profit distribution announcement to the record date for implementation of the equity distribution, the Company proposes to maintain the payout ratio per Share unchanged, make corresponding adjustments to the total payout amount, and will publish separate announcement(s) on the specific adjustments. The above profit distribution plan has been considered and approved at the third meeting of the eighth session of the Board. This matter has been authorized at the 2025 annual general meeting held on 26 June 2026 and is not subject to consideration at the general meeting of the Company.

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

☐Applicable ✓Not applicable

Important Notice

VIII. DISCLAIMER OF FORWARD-LOOKING STATEMENTS

✔Applicable ☐Not applicable

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

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

No

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

No

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

No

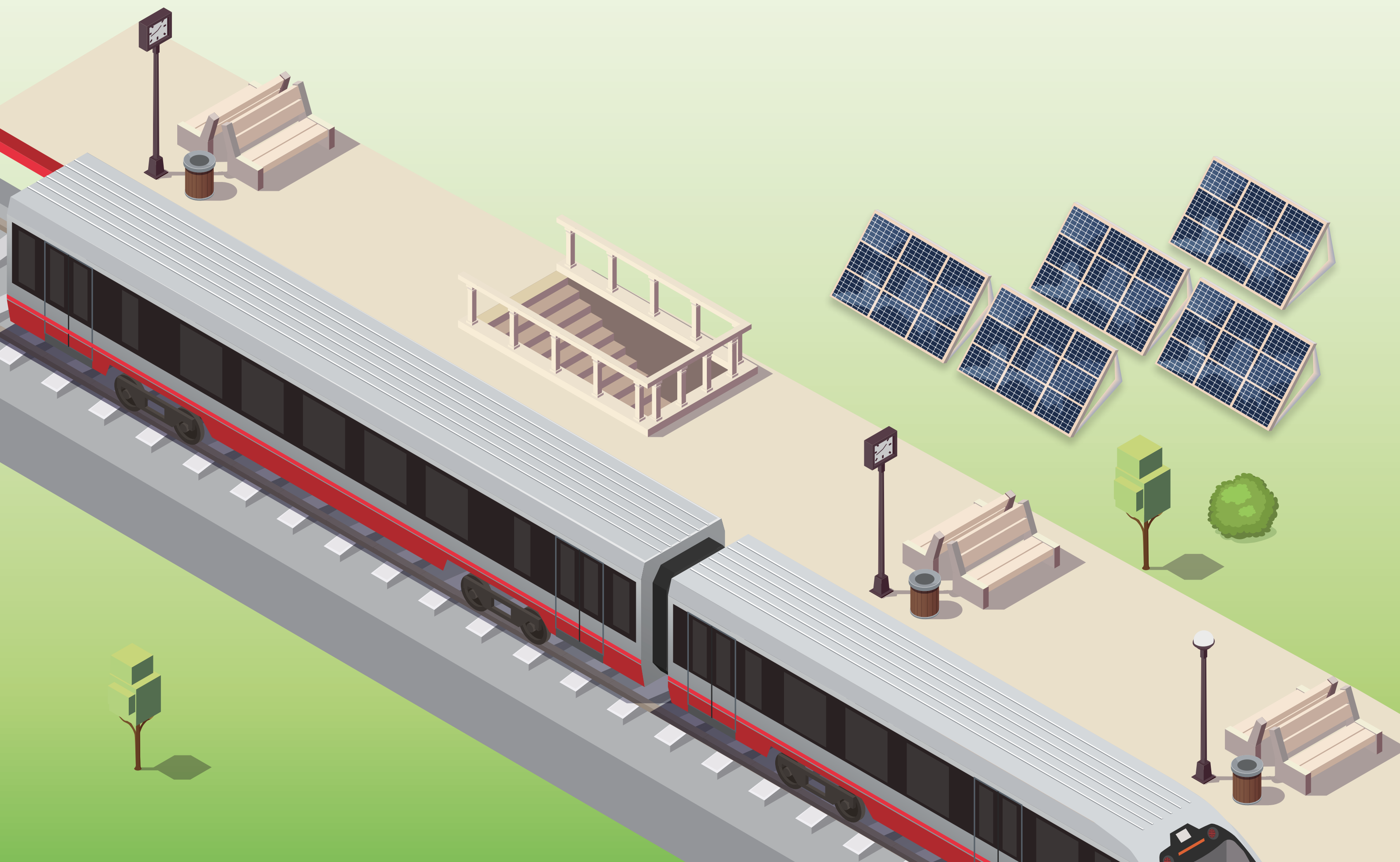
XII. OTHERS

☐Applicable ✓Not applicable

Contents

Notes:

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



Section I Definitions

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

DEFINITIONS OF FREQUENTLY USED TERMS

"A Share(s)"	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the STAR Market of the SSE and subscribed for and traded in Renminbi
"Articles of Association"	the articles of association of the Company
"Board"	the board of Directors of the Company
"Company", "Times Electric" or "CRRC Times Electric"	Zhuzhou CRRC Times Electric Co., Ltd. (株洲中車時代電氣股份有限公司)
"CRRC"	CRRC Corporation Limited (中國中車股份有限公司)
"CRRC Asset Management"	CRRC Asset Management Co., Ltd. (中車資產管理有限公司)
"CRRC Group"	CRRC Group Co., Ltd. (中國中車集團有限公司)
"CRRC 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)"	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange and are subscribed for and traded in HK$
"IGBT"	insulated gate bipolar transistor, a compound fully-controlled voltage-driven power semiconductor device composed of bipolar triode and insulated gate field effect transistor
"MOSFET"	metal-oxide-semiconductor field-effect transistor, a field effect transistor which can be widely used in analog circuits and digital circuits
"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 (上海證券交易所)
"SSE STAR Market Listing Rules"	Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the SSE
"State Railway Group"	China State Railway Group Co., Ltd. (中國國家鐵路集團有限公司)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"the reporting period"	six months ended 30 June 2026

Section II Corporate Profile and Key Financial Indicators

I. CORPORATE INFORMATION

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

II. CONTACT PERSONS AND CONTACT METHODS

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

III. CHANGE IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

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

Section II Corporate Profile and Key Financial Indicators

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

(I) Basic information of shares of the Company

✔Applicable ☐Not applicable

Basic information of shares of the Company

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

(II) Basic information of depositary receipts of the Company

☐Applicable ✓Not applicable

V. OTHER RELEVANT INFORMATION

☐Applicable ✓Not applicable

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Key Accounting Data

Unit: Yuan Currency: RMB

Key accounting data	Current reporting period (January to June)	Corresponding period of last year	Increase/ decrease from the corresponding period of last year (%)
Revenue	**13,070,519,326**	12,213,971,602	7.01
Total profit	**2,054,589,116**	2,087,746,311	-1.59
Net profit attributable to shareholders of the listed company	**1,712,297,377**	1,671,501,854	2.44
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	**1,642,323,775**	1,587,913,446	3.43
Net cash flow from operating activities	**1,481,282,814**	1,879,416,373	-21.18

Section II Corporate Profile and Key Financial Indicators

	As at the end of the current reporting period	As at the end of last year	Increase/decrease from the end of last year (%)
Net assets attributable to shareholders of the listed company	**42,405,771,701**	42,486,863,432	-0.19
Total assets	**70,894,372,525**	72,084,237,098	-1.65

(II) Key Financial Indicators

Key financial indicators	**Current reporting period (January to June)**	Corresponding period of last year	Increase/decrease from the corresponding period of last year (%)
Basic earnings per share (RMB/share)	**1.25**	1.21	3.31
Diluted earnings per share (RMB/share)	**1.25**	1.21	3.31
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	**1.20**	1.15	4.35
Weighted average rate of return on net assets (%)	**3.96**	4.14	Decreased by 0.18 percentage point
Weighted average rate of return on net assets after deduction of non-recurring profit or loss (%)	**3.80**	3.94	Decreased by 0.14 percentage point
R&D investment as a percentage of revenue (%)	**10.55**	10.40	Increased by 0.15 percentage point

Explanation of key accounting data and financial indicators of the Company

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

VIII. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount	Note (where applicable)
Profit and loss on disposal of non-current assets, including the reversal of provision for asset impairment	-2,485,777	/
Government grants recognised through profit or loss for the period (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed according to a fixed standard with continuing impact on the profit or loss of the Company)	67,812,016	/
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	6,910,112	/
Reversal of impairment provision for trade receivables subject to separate impairment assessment	1,711,835	/
Other non-operating income and expenses apart from the aforesaid items	13,577,789	/
Less: Effect of income tax	13,755,307	/
Effect of non-controlling interests (after tax)	3,797,066	/
Total	69,973,602	/

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Amount for the current period	Amount for the preceding period
Accounting indicator: Net profit	**1,767,525,111**	1,784,196,054
Adjustment item: Interest expenses	**16,184,763**	10,105,440
Adjustment item: Income tax expense	**287,064,005**	303,550,257
Adjustment item: Depreciation charge	**823,523,501**	598,892,075
Adjustment item: Amortisation charge	**111,435,180**	132,198,805
Non-enterprise accounting standards financial indicator: EBITDA	**3,005,732,560**	2,828,942,631

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 RMB3,005.73 million (RMB2,828.94 million in the same period of last year), a year-on-year increase of 6.25%, mainly due to the growth in depreciation charge.

Section III Management Discussion and Analysis

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

(I) Principal Business

As a 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.

(II) Industry Landscape

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.

Section III Management Discussion and Analysis

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, and intelligent manufacturing.

Addition of major non-principal business

☐Applicable ✓Not applicable

II. DISCUSSION AND ANALYSIS OF OPERATIONS

In the first half of 2026, against the complex backdrop of ongoing international geopolitical conflicts and a generally stable yet subdued economic growth environment domestically, the Company adhered to its development philosophy of "high-quality business management and efficient operations", upheld its "concentric diversification" strategy, dedicated itself to excellence in the rail transit sector, and pursued innovative development in emerging industries, thereby achieving steady corporate growth.

In the rail transit sector, national railway fixed asset investment recorded a year-on-year increase of 2.05%, with both passenger and freight traffic volumes maintaining a favourable growth trajectory, while the market share of EMUs and locomotives remained stable. The operational assessment of the CR450 EMU is progressing smoothly, and the development of the series of permanent magnet and new energy locomotives continues to advance, with the maintenance and repair business also maintaining steady growth. In urban rail transit, the Company continued to lead the industry in new orders for traction systems, while its cross-platform overhaul business continued to gain momentum. New breakthroughs were achieved in overseas market development, with the Company securing 29 projects across Asia, the Americas and Europe, involving various supporting systems for locomotives, power-concentrated EMUs, urban rail vehicles and other products. The Company also actively advanced the R&D and promotion of new track maintenance machinery and equipment for both mainline railway and urban rail transit markets, and secured overhaul orders for vehicle models including the JJC-type catenary maintenance vehicle and rail flaw detection vehicles. The market share of mainline railway signaling products remained stable, while the Company secured the Guangzhou Metro Line 2 signaling renovation project in the urban rail transit segment, marking its first breakthrough in a key national hub city.

In the emerging equipment sector, with the further implementation of the national "dual carbon" strategy, 2026 marks the first year of the comprehensive transition from dual control over energy consumption to dual control over carbon emissions, ushering in a new phase of green and low-carbon transformation.

In the semiconductor sector, IGBT efficiency and output current capability have reached industry-leading levels, with the 8th-generation reverse-conducting IGBT chip already in mass production and the 9th-generation IGBT chip under continuous development; SiC electrical performance has reached internationally mainstream standards, with mass production achieved for the 3rd-generation planar-gate chip and the 3.5th-generation fine planar-gate chip, while the 4th-generation trench-gate chip has been delivered for sampling.

In the power semiconductor sector, the IGBT production line has continued to operate at full capacity, and the capacity ramp-up of the 8-inch SiC production line is progressing smoothly, with stable output capability now established. In automotive power modules, the Company maintained a domestic market share of 14%, ranking second in the industry, with continued breakthroughs in SiC product design wins. In the new power systems sector, the Company holds over half of the domestic market share. In the industrial sector, the bipolar business recorded growth in new orders. The sensor business continued to grow, with a stable market position in the rail transit sector, while in the industrial and automotive sectors, the Company focused on increasing market share among existing customers and expanding into new customer accounts.

In the automotive sector, equal emphasis was placed on technological breakthroughs and market expansion, with a focus on reinforcing the core technology foundation through size reduction and power density improvement, while deepening engagements with quality customers, securing continued design wins, and achieving notable growth in the commercial vehicle segment.

In the new energy sector, the Company achieved multi-sector synergies across solar, energy storage, wind power and hydrogen, with bidding win volumes ranking among the top in the domestic market, particularly securing breakthroughs in large-scale individual photovoltaic inverter projects. Global expansion has been accelerated, with core solar and energy storage products having obtained grid-connection certifications in multiple countries across Europe and the Middle East.

In the marine sector, the Company has successfully developed ultra-high-power trenching machines and deep-sea ploughs for offshore engineering equipment, with jetting and ploughing capabilities for burial depths of up to 5 metres. The Company is also advancing the R&D and iterative development of new intelligent offshore engineering equipment, including electric mechanical arms and electric trenching machines, positioning itself at the forefront of industry technology.

In the industrial sector, mining converters have capitalised on the wave of OEMs going global to vigorously expand overseas markets, while closely following the trend of electrification and achieving the design and application of pure-electric platforms for mining trucks. The Company has also contributed to the green transformation of the shipping industry by advancing shaft generator supporting systems, with both system and converter solutions deployed in parallel to facilitate vessel-wide carbon reduction, resulting in notable business growth. In the metallurgy sector, the Company has deepened the substitution of imported products with domestically developed solutions and secured landmark contracts for medium and heavy plate mills and 1780mm hot continuous rolling mills. In the air conditioning business, while maintaining a stable core business base, the Company has continued to expand applications in incremental segments such as large-scale data centres and heat pumps.

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

✓Applicable ☐Not applicable

For details, please refer to "X. Explanation of Performance Indicators of Non-enterprise Accounting Standards" as set out in "Section II Corporate Profile and Key Financial Indicators".

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

☐Applicable ✓Not applicable

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Analysis of Core Competitiveness

✔Applicable ☐Not applicable

1. Leading market position

As a leading supplier of traction converter systems in China's rail transit industry, the Company's existing traction converter system products cover multiple vehicle types across locomotives, EMUs and urban rail transit, breaking international monopolies, achieving domestic substitution of core train systems, and leading the domestic market. As of the first half of 2026, its products for high-speed railway and locomotive traction converter systems have led the domestic market for multiple consecutive years. In the urban rail segment, according to public information including tender and bidding data for urban rail traction converter systems, the Company has ranked first in domestic market share for 14 consecutive years from 2012 to 2025 (Source: RT Rail Transit).

In addition, the Company's emerging equipment business has established a stable competitive landscape among industry leaders, with its market positioning continuing to consolidate. In passenger vehicle power modules, the Company ranked second in the industry by installation volume in the first half of the year, with a market share of 14% (Source: NE Times). In the photovoltaic inverter segment, the Company secured winning bid capacity of 5,944 MW in the domestic tendering market during the first half, ranking third domestically (Source: PV Headline). Installation volume of new energy vehicle electric drive systems grew steadily, with the Company ranking among the top in the domestic market. In sensors and components, the Company has long maintained the top market share in the domestic rail transit sector, while also ranking among the industry leaders in the new energy vehicle, wind power and photovoltaic supporting segments.

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 operates 6 state-level technological innovation platforms, 13 provincial-level technological innovation platforms, and 1 post-doctoral workstation. In the first half of 2026, the Company filed 164 patent applications (including 126 invention patents) and was granted 134 patents (including 96 invention patents); led the issuance of 6 standards and participated in the issuance of 11 others; secured 37 new externally approved projects, and successfully took the lead in 1 national key R&D project; received 6 provincial/ministerial or industry-level science and technology awards, including 1 first-prize award. 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, ISO22163, EN15085 CL1, and IATF16949 certifications. 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 parallel, the Company aligned closely with the rolling stock and urban rail vehicle maintenance plans of State Railway Group, and continued to strengthen its maintenance capabilities and optimise the geographic distribution of its maintenance capacity. The Company has established maintenance branch offices in Qingdao and Luoyang, and set up a number of localised 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.

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. The Company's R&D team is led by an academician of the Chinese Academy of Engineering, comprising 4,365 R&D personnel, representing 40.71% of the total workforce. Among the R&D team, those with postgraduate degrees or above accounted for 52.58%, reflecting a strong reservoir of highly educated research talent. The scale of the R&D team and its talent structure constitute a distinct competitive advantage.

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 30 June 2026, the Company had 3,902 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.

Section III Management Discussion and Analysis

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

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

No.	Core technologies		Overview, advancedness and characteristics of technology
3	Converter and control technology	Overall converter technology	The Company continued to refine and iterate on core technologies including proprietary silicon carbide power modules, high-efficiency liquid cooling, and grid-forming advanced control algorithms. Leveraging multi-physics co-simulation and high-power-density integrated design, the Company further reduced product footprint and enhanced overall system efficiency, while extending the stringent reliability standards of high-speed railway traction technology to strengthen full-operating-condition adaptability. These technologies were concurrently applied by the Company across both rail transit and new energy sectors. The Company continued to advance the iteration of new products for high-speed EMUs, urban rail and high-power locomotives through its rail transit converter platform, while steadily growing the market delivery scale of photovoltaic and energy storage converters, providing core equipment support for new power systems. Building on its mature silicon carbide traction converter technology platform, the Company continued to conduct performance optimisation and iteration. Its grid-forming energy storage converters achieved large-scale project deployments in multiple national-level clean energy bases, with significant improvements in dynamic response of system control algorithms and weak-grid stable operation capabilities, further cementing the Company's technological leadership
4	Converter and control technology	Converter topology technology	By developing key converter technologies such as multi-level converter technology, multiple series-parallel or cascade technology, bidirectional energy transmission technology, and common DC bus distributed coordination technology, the Company can flexibly configure the optimal topologies for different application fields and different power levels. With such topologies, relevant converter products are developed and applied to meet the application needs in the rail transit and industrial converter fields
5	Converter and control technology	Electric drive control technology	The Company adopts the rotor time constant identification technology based on excitation current attenuation, and overcomes the key problems of parallel power supply technology in auxiliary transformer control, which greatly improves the power supply performance, simplifies the vehicle power supply configuration and vehicle logic, and provides strong technical support for motor maintenance and converter application. In the field of multi-source power system, we realise the optimisation of energy management by integrating the coordinated control technology of power chain and control chain, which significantly improves the efficiency and availability of the system

No.	Core technologies		Overview, advancedness and characteristics of technology
6	Converter and control technology	Power semiconductor device application technology	The Company has built independent R&D capabilities covering the entire value chain, from chip design and driver control to module packaging and system testing. Following the commissioning of its Phase III 8-inch SiC production line in Zhuzhou, the Company progressed steadily in capacity ramp-up, with ongoing improvements in both capacity and yield, while further upgrading the performance of its device platform across a full voltage range from 650V to 6,500V. The Company's products serve diverse end-markets spanning rail transit, photovoltaic and energy storage, industrial drives, and new energy vehicles. High-voltage devices secured volume orders in new power systems and data centre power supply applications, and the Company's full-industry-chain autonomous and controllable competitiveness continued to strengthen, consistently delivering high-reliability core power devices for a wide range of high-end equipment
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

No.	Core technologies		Overview, advancedness and characteristics of technology
8	Train control and diagnosis technology	Network control and diagnosis technology	The Company has broken through key technologies in train network control and diagnostics, including high safety, strong real-time performance, high reliability, multi-network integration and intelligent human-machine interaction. It has established the DTECS-1 network control platform based on MVB/WTB technology, the DTECS-2/G universal chassis platform based on 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. These platforms have obtained functional and information security certifications. The Company has taken the lead in promoting the industry application of new technologies and products such as TSN communication technology and multi-network integration, with its products having been deployed in large volumes across locomotives, EMUs, urban rail and other vehicle types
9	Train control and diagnosis technology	Train control multi-system integration technology	The Company has developed such key technologies as deterministic Ethernet communication, virtualisation, high-performance computing, high-level security, integrated control and integrated display, designed a unified new integrated train control system architecture to break the boundaries of onboard subsystems and lay a foundation for the optimisation and intellectualisation of vehicle functions, and developed a complete set of technology and solution capabilities, so that it can provide users with solutions tailored for different application scenarios which have been gradually promoted and applied in urban rail transit projects
10	Train control and diagnosis technology	General train coupling application technology	The Company has developed train coupling control technology based on radio, GSM-R, LTE private network, WIFI and other wireless communication networks, solved the problems of difficulty in laying connection cables, cable loosening and aging, interface incompatibility and differences in control characteristics in flexible train formation, and realised coordinated control of multiple locomotives of different types and at different locations, covering a number of formation modes including 2+0, 3+0, 1+1, 2+2, 1+1+1+1, etc. By widely applying the technology in 10,000-ton and 20,000-ton heavy-haul trains and leveraging its AC-DC and internal electric mixing capabilities, the Company has formed a remote and close wireless connection control platform to provide heavy-duty and flexible formation solutions

No.	Core technologies		Overview, advancedness and characteristics of technology
11	Railway engineering machinery technology	Railway engineering machinery system integration technology	The Company has built comprehensive vehicle-level R&D capabilities in track engineering machinery, including railway inspection vehicles, overhead contact line maintenance vehicles, grinding vehicles, flaw detection vehicles, rail-changing vehicles, and small-to-medium-sized track maintenance machinery. It has developed specialised vehicle and system product platforms featuring rapid inspection, high-efficiency operation, new-energy propulsion, and multi-function integration, which have been deployed in large volumes in railway infrastructure maintenance equipment for both national railway and urban rail transit applications
12	Railway engineering machinery technology	Basic railway engineering machinery technology	The Company has established three core technology clusters: carrier platform technology, support platform technology, and operation technology. Carrier platform technology serves as the vehicle platform foundation for track engineering products, encompassing power transmission technology, carbody technology, bogie technology, braking technology, electric drive technology, and running control technology. Support platform technology provides the carrier for construction personnel, work devices and tools, primarily comprising platform structure design and light-weighting technology, hydraulic technology, and drive technology. Operation technology represents the core technology that responds to maintenance methodologies and supports the final actuating mechanisms, covering overhead contact line operation technology, grinding technology, flaw detection technology, rail-changing technology, sleeper-changing technology, inspection technology, ballast-cleaning technology, tamping technology, and rail-welding technology
13	Railway engineering machinery technology	Power transmission technology for rail engineering machinery	The Company has broken through power transmission technologies including internal combustion drive, electric drive and hybrid drive. Its internally developed products for internal combustion drive, electric drive and hybrid drive systems have been deployed in large volumes in track engineering machinery such as dual-power grinding vehicles for both railway and metro applications, heavy-duty railway vehicles, tractors and overhead contact line maintenance vehicles. The Company's permanent-magnet traction platform for track engineering machinery has been applied to tamping-stabilising vehicles and turnout tamping vehicles, achieving the industry's first ultra-low constant-speed tamping operation and step-by-step electric drive in China. The Company has also developed a spectrum of electric drive platforms for six types of construction equipment adapted to complex operating conditions including plateau alpine environments and tunnel geothermal settings

No.	Core technologies		Overview, advancedness and characteristics of technology
14	Railway engineering machinery technology	Railway engineering machinery operation and control technology	The Company has broken through key control and detection technologies including track tamping, stabilising and ballast-cleaning control technology, rail flaw detection and inspection technology, rail grinding control technology, high-precision track geometric parameter measurement technology, laser rail alignment technology, spike identification and positioning technology, automatic pick alignment technology for turnouts, comprehensive track and tunnel inspection technology, and expert diagnostic technology. On this basis, the Company has built a full-scenario, spectrum-based intelligent control system for large-scale track maintenance machinery
15	Power semiconductor technology	IGBT chip technology	The Company has broken through key process technologies including submicron fine lithography, IGBT terminal sinking, and etch-resistant composite masking. Combined with automated response manufacturing based on production-line big data analysis and feedback, the Company optimised the uniformity of fine-feature-size lithography and etching, and integrated alignment mark structures featuring high-contrast film layers and sidewall protection to further improve alignment deviation of feature sizes. The Company achieved breakthroughs in 750V ultra-fine 1 μm-pitch IGBT cell technology, FRD based on Pt process technology, low-leakage buffer layer and terminal design technology enabling 185°C high operating junction temperature, and high-voltage fine trench-gate IGBT cell technology. Through precise design of carrier concentration distribution in IGBT and FRD, the Company achieved low overvoltage and low-loss characteristics in power chip structure design. The Company has comprehensively mastered the design and manufacturing process technologies for high– and low-voltage IGBT and matching FRD chips with full independent intellectual property rights, while simultaneously supporting the transfer and mass production of the full IGBT and FRD product portfolio from Zhuzhou to Yixing. Currently, the full series of chip products from both Zhuzhou and Yixing sites are widely applied in rail transit, power grids, new energy, automotive and industrial control sectors

No.	Core technologies		Overview, advancedness and characteristics of technology
16	Power semiconductor technology	SiC chip technology	The Company has broken through key process technologies including high-reliability gate oxide nitridation with low interface defects, low-damage high-aspect-ratio trench etching, submicron fine lithography, high-temperature selective ion implantation, high-temperature activation annealing, and low-stress thinning. It has also overcome power chip structure design technologies including active-region gate oxide electric field shielding, JFET region doping, carrier extension, lightly doped source, body diode overvoltage suppression, saturation current suppression, and high-efficiency spatial electric field modulation terminal design. The Company has mastered reliability enhancement technologies including moisture resistance and negative gate voltage blocking stability. It has established a design and manufacturing technology system for MOSFET and SBD chips with core independent intellectual property rights, built a complete 6-inch professional silicon carbide chip manufacturing platform incorporating full proprietary silicon carbide process technologies, and progressed in the construction of a more advanced 8-inch professional silicon carbide chip platform with MOSFET product introduction completed. The Company's full-voltage-range MOSFET and SBD chip products are applicable across new energy vehicles, rail transit, photovoltaics, industrial drives and other sectors
17	Power semiconductor technology	Advanced packaging and component technology	The Company has developed such design technologies as multi-chip parallel current sharing design technology, efficient thermal management technology, and multi-physical field coupling simulation technology, developed advanced packaging technologies including large-area welding, copper terminal ultrasonic bonding, sintering, DTS, wire bonding and interface strengthening, established a complete set of standards for assessment of materials such as ceramic liners, resin packages and copper baseplates, and developed 750V-6,500V IGBT devices and SiC devices. Relevant products are widely used in the fields of locomotives, bullet trains, urban rail, flexible DC power transmission, new energy vehicles, mining frequency conversion, wind power, photovoltaic power, energy storage, high-end industrial equipment and home appliances

No.	Core technologies		Overview, advancedness and characteristics of technology
18	Power semiconductor technology	Reliability technology	Through fundamental research on power semiconductor devices covering life modelling, accelerated testing, reliability simulation, big data analytics, and sample preparation and characterisation, the Company has established a full-lifecycle reliability assessment technology system covering its full voltage series of IGBT, SiC, GaN and bipolar devices. This system encompasses reliability assessment for new products (including embedded packaging and GaN chips), failure mechanism research methods based on multi-physics simulation, application life assessment techniques under multi-dimensional stresses (electrical, thermal, mechanical and moisture), reliability quality systems based on big data cluster analysis, and failure analysis technology systems grounded in research on microscopic interface sample preparation and characterisation techniques
19	Communication signal technology	Main line railway signal system technology	The Company has broken through key technologies including mainline railway train operation control technology, safety computer technology, onboard database technology, communication technology, fault diagnosis and early warning technology, information system technology, multi-standard wireless communication technology, Beidou positioning technology, and wireless onboard transmission control technology for operation instructions and temporary dispatch commands. These technologies have been successfully applied in multiple projects including the LK2000 monitoring system for mainline railways, the LK-15 monitoring system, the upgraded LKJ system, the ETCS train control system, train-to-ground communication, temporary speed restriction transmission, and conventional-speed train control systems
20	Communication signal technology	Urban rail transit signal system technology	The Company has developed such professional technologies as signal integration technology, automatic train operation technology, interlocking technology, communication technology, intelligent dispatching technology, health management technology, and fault diagnosis, 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

No.	Core technologies		Overview, advancedness and characteristics of technology
21	Communication signal technology	High-speed maglev train operation control system technology	The Company has developed long-distance, multi-zone, multi-power supply mode, complex safety system design and integration and other key technologies, and established a technology development platform for high-speed maglev train operation control system covering safety control model, vehicle-ground wireless communication, simulation and multi-system coordinated control
22	Data and intelligent application technology	Data processing technology	In the field of data intelligence applications across rail transit, clean energy, deep-sea robotics, carbon management and other industries, the Company has focused on full-lifecycle operational scenarios of core equipment including rolling stock, photovoltaic systems, energy storage systems and deep-sea robotics. It has established data links between core operational data from its proprietary self-developed equipment and heterogeneous data from third-party industry business systems, and has systematically completed the aggregation of equipment operation information, standardised data cleaning and governance, business-dimensional processing and modelling, as well as multi-source data collaborative sharing and visual analytics, providing a standardised data foundation for upper-layer business applications including intelligent vehicle maintenance, energy storage safety monitoring and carbon asset management. In response to industry deployment needs, the Company has independently built an IoT operation platform for urban rail vehicles and an integrated holistic data management platform, while simultaneously completing the filing of supporting software copyrights. The Company has conducted targeted R&D on practical technologies for integrated storage and rapid retrieval of multi-modal data from equipment sensors, control systems and business texts, and has deepened its expertise in key deployment technologies including standardised data governance across the full equipment operation process, distributed storage, cross-system sharing and business visual analytics. To date, the Company has delivered over 80 locally deployed intelligent maintenance solution packages across the rail transit and new energy sectors. On the cloud service front, leveraging the CRRC Cloud platform, the Company has enabled full-site equipment data access and online monitoring operational support for over 280 photovoltaic and energy storage power stations, achieving remote intelligent station management, fault early warning, and integrated energy efficiency and carbon emission analytics

No.	Core technologies		Overview, advancedness and characteristics of technology
23	Data and intelligent application technology	Onboard PHM technology	The Company has developed key technologies for fault diagnosis of capacitors, contactors, reactors, chopper/charge/discharge resistance, filters, various sensors and cooling fans based on online parameter identification and big data analysis, pioneered methods for fault diagnosis of traction motor bearings, stator insulation and couplings based on the existing control signals of converters in the industry, built an integrated vehicle-ground traction system health management platform, applied such technologies and methods to over 1,000 trains in the urban rail sector, enabling state perception, fault diagnosis and warning, state evaluation and health management for traction systems and providing strong support for the condition-based repair of traction systems
24	Data and intelligent application technology	Autonomous driving technology	The Company has developed such key technologies as optimal operation planning with multi-objective constraints, precise follow-up control, longitudinal dynamics modeling of trains, smooth operation of heavy-haul trains, simulation of heavy-haul train operation environment, and autonomous driving system integration; established a safe, stable, punctual and energy-efficient autonomous driving technology system; and formed a locomotive autonomous driving product platform covering electric power to internal combustion, general load to heavy load, freight to passenger transport, and main line to station. As of now, the platform has been applied in vehicles by a number of railway companies including CR Xi'an, CR Taiyuan, Haoji Railway, Baoshen Railway, Shuohuang Railway and Jingshen Railway, and has reached a widely-used normal operating state with a cumulative safe operation mileage of more than 12 million kilometers
25	Data and intelligent application technology	Intelligent sensing technology	The Company has developed such key technologies as high-performance edge computing platform technology, radar sensing technology, visual sensing technology, multi-modal data generation based on foundation model, automatic calibration and correction technology, mapping and positioning technology, and multi-sensor fusion detection, built an intelligent sensing application platform for multiple fields and all working conditions, and 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

No.	Core technologies		Overview, advancedness and characteristics of technology
26	Data and intelligent application technology	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 electronisation of multi-source integrated traction power supply system. The technologies have been widely applied to the rectifier, energy feedback and bidirectional converter fields regarding DC traction power supply system, as well as the in-phase power supply, power quality governance and other related fields regarding AC traction power supply system
28	Traction power supply technology	Traction power supply control technology	The Company has developed such key technologies of power supply converters as traction network voltage self-adaptation, switching frequency self-adjustment, efficiency and reliability optimisation, nearest level 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	Inspection and testing technology	Electromagnetic compatibility (EMC) test technology	The Company has built a test verification system for electronic and electrical products covering anti-electromagnetic radiation interference, anti-static interference, and anti-surge and burst interference, and the on-site EMC test platform which meets the needs of quantitative testing of the electromagnetic radiation levels inside and outside of vehicles and the track interference current on rail lines in operation; realised the unification of the test environment and the application environment; and further improved the EMC performance of rail transit electrical equipment such as converter, network and power supply equipment as well as EMC testing capability for rail transit traction system
31	Inspection and testing technology	Reliability test technology	The Company has developed a test platform based on HALT & HASS, material screening and verification, accelerated life test, non-destructive test, intelligent test, vibration and noise, 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

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

No.	Core technologies	Overview, advancedness and characteristics of technology
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, power coupling device 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, chip-level current sensor, 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

Section III Management Discussion and Analysis

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 the first half of 2026, in the rail transit business segment, the Company achieved breakthroughs spanning SiC power device application, control technology innovation and system matching integration, delivering improved efficiency and reduced weight in the same form factor for its 13-tonne axle-load traction converter. The Company completed China's first batch-scale demonstration application of high-frequency silicon carbide auxiliary converters on Shenzhen Metro, which passed operational review with cumulative passenger-carrying operation of 600,000 kilometres, officially marking the commencement of large-scale commercial promotion. The Company further explored the application boundaries of SiC devices in rail transit, completing energy consumption analysis of SiC device-based traction systems under typical operating conditions in shunting locomotives and other applications. It developed for the first time a DC3000V integrated main-step-auxiliary-charging converter with high integration, pioneering the integration of a bidirectional DAB high-frequency isolated conversion charger, which successfully passed the customer's FAI witnessing. The Company completed batch upgrades and deployments of the locomotive remote monitoring and diagnostic device CMD2.0, the intelligent EMU 3.0 train-to-ground wireless transmission device WTD, and the 6A high-definition video surveillance and intelligent recognition system, meeting the core requirements of State Railway Group for high bandwidth and intelligent functionality. The CTCS-1 on-board train control equipment for conventional-speed railway train control systems passed full-scenario interoperability testing, with loop-line live-vehicle trials successfully completed. The Company's self-developed tSafer-VA3000 signaling safety cloud platform successfully obtained SIL4 certification, establishing a core technological moat for the commercial promotion of next-generation cloud-based signaling systems. The Company developed a spectrum of electric drive platforms for six types of construction equipment adapted to complex operating conditions including plateau alpine environments and tunnel geothermal settings. In response to challenging environmental conditions including high-altitude plateaus, long steep grades and dense tunnel clusters, the Company successfully developed dual-power-source rail grinding vehicles and track maintenance vehicles. It also broke through water-cooled bidirectional converter system technology, achieving the first full-line water-cooled bidirectional converter active traction power supply demonstration project in China, which has been officially put into operation.

Section III Management Discussion and Analysis

In the emerging equipment business segment, the Company broke through SiC charge balance technology, with the on-resistance of its fifth-generation semi-superjunction achieving a 20% reduction over the previous generation, reaching internationally leading levels. It also achieved 4400V & 150°C bridge-arm direct-through capability for its 6500V trench IGBT, also reaching internationally leading levels. In response to demand for wide-range pressure detection, the Company developed a pressure sensor with a range exceeding 40MPa using advanced sputtered thin-film principles. For high-bandwidth photovoltaic applications, it developed a 400kHz current sensor; for grid-forming current detection requirements, it developed a high-overload current sensor with 3x overload measurement capability. The Company launched the "Yunshu 2.0" 3. X MW all-scenario adaptable energy storage converter. Its 460kW string-type photovoltaic inverter obtained the industry's highest-level certifications in both lightning protection (L4) and DC intelligent disconnection (Level I), setting an industry benchmark. The Company released its first dual-stage 215kW energy storage converter, covering harsh application scenarios including high sandstorms, high salt spray and high heat-humidity environments. It completed configuration optimisation and developed a power coupling device for its new P1.5 range-extender hybrid powertrain product platform, enabling extremely low drag torque and engine direct-drive functionality. The 150E pure-electric mining truck converter passed third-party certification and achieved vehicle deployment in FMG's overseas high-end projects. The Company built product portfolios spanning PLC, CMS monitoring, vision inspection and embodied robotics, establishing a dual-track deployment model of "internal production line validation + external multi-industry market expansion", with industrial control products achieving demonstration applications across multiple industries. The skid-type buried plough successfully completed sea trials, achieving a trenching depth of 5 metres and attracting significant industry attention. The deep-sea full-electric heavy-duty manipulator achieved a rated load capacity of 126kg at full reach under maximum operating conditions, reaching internationally advanced levels.

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 the first half of 2026, it added 134 authorised patents at home and abroad. Currently, the Company has 3,902 authorised and valid patents, of which invention patents account for approximately 70%; it presided over or participated in the release of 14 international, national, industrial and group standards in the fields of transportation and energy, continuously consolidating and improving its industry status.

List of intellectual property rights obtained during the reporting period

	Increase in the period		Cumulative number	
	Number of applications	**Number of approvals**	Number of applications	Number of approvals
Invention patent	**126**	**96**	5,833	2,729
Utility model patent	**27**	**31**	2,061	1,081
Appearance design patent	**11**	**7**	294	92
Software copyright	**/**	**/**	386	386
Others	**/**	**/**	/	/
Total	**164**	**134**	8,574	4,288

3. R&D investment

Unit: Yuan

	Current period	Corresponding period of last year	Change (%)
Expensed R&D expenditure	**1,351,402,697**	1,214,500,454	11.27
Capitalised R&D expenditure	**27,692,783**	56,248,592	-50.77
Total R&D expenditure	**1,379,095,480**	1,270,749,046	8.53
Percentage of total R&D expenditure in revenue (%)	**10.55**	10.40	Increased by 0.15 percentage points
Percentage of capitalised R&D expenditure (%)	**2.01**	4.43	Decreased by 2.42 percentage points

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

☐Applicable ✔Not applicable

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

☐Applicable ✔Not applicable

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 the 3.0 platform for silicon carbide-based bidirectional traction power supply converters for urban rail transit	442	130	130	1. Completed planning discussions and technical requirements reviews for the silicon carbide bidirectional converter platform; 2. Completed loss simulations for silicon carbide power devices of various specifications; 3. Currently conducting option comparisons and selections for main circuit topologies and cooling methods.	To research the system solution for bidirectional converter units in response to the demand for high reliability and high energy efficiency in urban rail power supply, develop a bidirectional converter based on silicon carbide devices and complete experimental testing, complete the design of a spectrum-based bidirectional converter solution, establish the 3.0 platform for bidirectional converter units, and enhance product competitiveness.	Building a silicon carbide-based bidirectional converter platform for urban rail traction power supply, focusing on key technologies including silicon carbide power device thermal management, gate drive and protection, and series-parallel control. Product technical specifications to reach internationally leading levels.	Rail transit electrical equipment

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 operation control system and platform for conventional-speed railways	2,503	844	844	1. The project has successfully passed key milestones including system technical solution review, laboratory standard line solution review, system testing review, and ring-line expert test validation; 2. Completed concentrated discussions on 10 standard specifications for the CTCS-1 train control system, with the draft for approval submitted, and led the review of the draft for approval of technical specifications including the "Interim Technical Specification for On-board Equipment," "System Test Cases," and "Data Structure and Application Principles"; 3. Successfully completed the development of the complete set of equipment, including the on-board host unit, integrated interface unit, DMI (Driver-Machine Interface), as well as the ground data control centre and static data centre. Currently, the on-board equipment has successfully passed the milestone test witness of a third-party certification company.	To enable automatic onboard loading and machine-based control of basic line data, operation instruction data, temporary speed restriction dispatch commands and station route information, making the onboard signal the authority for train movement, and to achieve automatic track number and branch line number input control, thereby effectively reducing manual intervention during train operation and enhancing system automation and intelligence. The system design to meet train control requirements for speeds of 200km/h and below, and to be compatible with multiple block system types including automatic block, automatic station-to-station block and semi-automatic block, with core equipment achieving Safety Integrity Level SIL4.	Building a multi-mode integrated train-to-ground real-time transmission channel spanning 5G-R, GSM-R, 400MHz and public networks, overcoming the key technology of integrating dynamic data access with train control logic in the existing LKJ system, and achieving seamless integration and integrated protection between train operation and station shunting operations, with technology reaching the domestic leading level.	Communication signal systems

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	Development of a signaling safety cloud platform for urban rail transit	802	301	301	1. The platform has successfully obtained SIL4 safety certification, with ongoing system integration testing. Deployment, operation and monitoring of cloud management functions, simulation functions and safety application functions across control nodes, general computing nodes and safety computing nodes have been fully integrated; 2. The safety cloud platform has achieved comprehensive technological innovation. The cloud management platform enables flexible resource allocation and centralised management; cloud management terminals enable virtual machine monitoring and flexible scheduling; safety virtualisation ensures resource security and reliability; monitoring and logging form a multi-layer monitoring system, simplifying lifecycle management.	To introduce virtualisation technology into the current rail transit signaling business, establish a complete and operable cloud platform for urban rail signaling, and develop prototype equipment that meets the functional requirements of rail transit signaling systems and possesses engineering delivery capability.	Adopting domestic server hardware paired with Type I safety virtualisation technology, and relying on the Company's proprietary "static allocation, dynamic usage" redundant architecture, to ensure long-term safe, stable and reliable system operation from the underlying level. At the same time, the product features outstanding characteristics including elastic expansion, unified operation and maintenance, and multi-service compatibility, and is fully adaptable to both new line construction and existing line renovation scenarios in rail transit, with technology reaching the domestic advanced level.	Communication signal systems

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	Technical research on new-energy grid-forming traction power supply systems for railways	1,053	158	158	1. Completed the design of the system architecture and key equipment technical parameters for the dynamic simulation test platform; 2. Completed the development of single-phase VSG control algorithms; 3. Completed the preparation of the research report on railway flexible power energy systems.	To propose an overall architecture for an integrated new-energy grid-forming power supply system covering railway traction power supply and auxiliary power distribution; to establish source-grid-load dynamic mathematical models and master key technical principles including system capacity planning, optimised operation and coordinated protection; to build a simulation and verification platform for grid-forming new-energy railway power supply systems suitable for high-penetration new-energy weak-grid environments; and to form a set of typical solutions for new-energy grid-forming railway power supply.	Focusing on the demand for safe and efficient energy utilisation and green low-carbon energy supply in railways, conducting in-depth research on an integrated "traction-power" flexible energy system architecture based on railway flexible power supply. Developing a full-operating-condition high-performance simulation and testing platform, and forming a complete set of technical solutions and equipment systems with independent intellectual property rights. Overall technology to reach internationally leading levels.	Rail transit electrical equipment

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	Research on short-circuit impedance and protection matching optimisation for urban rail vehicle traction and power supply systems	197	93	93	Completed the construction of the simulation and analysis model for impedance matching and protection of the traction power supply system.	To address the simultaneous protection tripping of both traction and power supply systems in certain projects during traction system short-circuit faults, conduct in-depth research on the synergistic mechanism of impedance characteristics, fault current rise rate (di/dt) and high-speed circuit breakers, establish a faster, more sensitive and more intelligent protection matching strategy, and ultimately develop a set of technical solutions that can guide design, optimisation and setting.	Protection operation time expected to be reduced by 40%, reaching the domestic leading level.	Rail transit electrical equipment
6	Optimisation and development of the traction converter platform based on the urban rail P2 platform	405	111	111	1. Completed system requirement harmonisation and system solution design for the permanent-magnet optimisation platform; 2. Completed the preliminary design of the traction converter subsystem.	To develop a highly integrated and highly compatible permanent-magnet synchronous traction system product for metro applications, enable the converter product to support functional configuration requirements for both DC1500V and DC750V systems, streamline downstream production and validation processes, complete ground test verification, and release the platform.	Achieving a weight reduction of no less than 10% and a footprint reduction of no less than 5% for the traction inverter compared to the existing permanent-magnet platform, meeting the functional configuration requirements for both DC1500V and DC750V systems, and possessing industry-leading technological advantages.	Rail transit electrical equipment

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	Iterative upgrade of the CR400AF intelligent EMU	332	158	158	Completed the technical solution reviews and released construction drawings for products including traction systems, network control systems and battery chargers, in response to the iterative upgrade requirements of the CR400AF intelligent EMU.	To complete product design, manufacturing and testing, and deliver for onboard installation, in accordance with the iterative upgrade requirements of the CR400AF intelligent EMU.	The product is built upon the iterative upgrade of the existing CR400AF intelligent EMU products, providing technical support for enhanced vehicle safety and reliability, emergency response, service quality, and operation and maintenance, reaching the domestic leading level.	Rail transit electrical equipment

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
8	Development of an equipment IoT and data intelligence platform for O&M platforms	433	208	208	1. Conducted requirement research for equipment IoT scenarios across photovoltaic, industrial control, energy storage and other business segments, and completed the business research and requirement analysis report; 2. Benchmarked against mainstream IoT platform products, identified common technical requirements for rail transit and new energy scenarios, completed POC testing of 3 IoT platform products, and determined the selection scope for the foundational IoT platform; 3. Completed the system solution design for the equipment IoT and data intelligence platform, and completed requirement analysis and software architecture design for the IoT platform, time-series data analytics software, and Q&A intelligent agent software; 4. Completed adaptation of protocol collection for PLC equipment in the manufacturing centre scenario on the IoT platform.	To research cloud-edge collaborative IoT architecture, multi-protocol compatible data acquisition frameworks, configuration-based acquisition management, thing model construction and collaborative management, time-series data analysis and mining, Q&A intelligent agent construction, and PHM algorithm integration and scheduling technologies; to develop a cloud-edge collaborative IoT platform product that enables full-process visual access of equipment data, IoT management, time-series analysis, PHM diagnostics and other functions, while providing interactive data analysis and maintenance solution query capabilities, effectively lowering the barrier to data development and analysis for O&M software in IoT scenarios.	1. Based on the cloud-edge collaborative technology framework, expanding the equipment IoT capabilities of the industrial internet platform, achieving synergy among thing models, data protocols and device management, and addressing the complex challenges of accessing and managing a large number of devices with diverse protocols and dynamically changing data points in new energy and industrial control scenarios; 2. Leveraging the substantial volume of equipment time-series data accumulated on the platform, developing functional modules for time-series data mining, intelligent Q&A, and PHM algorithm model integration, advancing equipment O&M towards intelligent and data-driven development.	Rail transit electrical equipment

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
9	Development of fifth-generation SiC MOSFET platform technology	3,092	1,117	1,117	Completed 8-inch first-flow validation, achieving a 20% reduction in on-resistance compared to the previous generation.	To develop silicon carbide charge balance design technology, key process technology, and high-junction-temperature reliability technology, and to build the fifth-generation SiC MOSFET technology platform.	Overall technology reaching internationally leading levels.	Power semiconductor devices
10	Development of a magnetic induction-type clamping angle sensor for tamping units of large-scale track maintenance machinery	440	134	134	1. Completed the conceptual design, detailed design and prototype of one non-contact angle sensor; 2. Completed onboard testing of 2 sets on the DWL-32k vehicle and obtained customer approval.	To address the issues of susceptibility to wear, low reliability and large size in traditional measurement sensors for tamping arms, adopt Hall-effect magnetic induction principles to develop a compact angular displacement measurement sensor capable of measuring changes in the range of 0~26°, with angular accuracy better than ±0.8°, achieving compact and highly reliable non-contact rotational angle measurement.	1. Addressing the rotating structure of the tamping arm, developing a compact, split-type angle sensor featuring flexible installation, stability and reliability; 2. Adopting a 2D linear Hall measurement solution, optimising the linearity of the magnetic field angle distribution of the measurement magnet through phase-adjusted magnetisation, and applying software calibration and compensation algorithms to comprehensively enhance the sensor's angular measurement accuracy, reaching the domestic advanced level.	Rail transit 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 open-loop Hall-effect current sensor products for new energy vehicle electric drive and control systems	332	171	171	1. Completed the development of a single-chip Hall-effect current sensor and conducted reliability durability testing; 2. Completed the development of a triple current sensor for new energy vehicle electric control system integration, passed reliability durability testing and validation, and achieved small-batch production.	To address market demand for HPD and HPD mini module integration as well as customer requirements for compact size, develop matching current sensors for electric drives, complete the development of 3 product variants, and achieve the required product performance.	Targeting customised design innovation for HPD and HPD-mini module integration solutions, addressing the structural space constraints of the new-generation electric drive module platform, and achieving product miniaturisation and enhanced system integration.	New energy vehicle sensors
12	Research on key technologies of the EQT600 electric trenching machine	921	114	114	1. Development of underwater key power components: completed testing of 4 blade variants; planned factory water-tank testing and validation; 2. Research on anti-skid travelling technology for electric-driven tracks in soft sediments and component development: conducted design of the track test platform, completed detailed design of the track test platform; 3. Development of high-precision submarine cable detection components and research on intelligent tracking technology: completed detailed scheme design of high-precision submarine cable detection components.	To develop key power components (including electric thrusters, electric jet pumps and wheel-side motors), underwater drive control components, electric-driven track travelling and control components, and submarine cable detection components for the EQT600 electric trenching machine, complete track anti-skid model testing and numerical simulation analysis, build the EQT600 electric trenching machine hardware-in-the-loop system, and complete factory water-tank testing.	Achieving a trenching machine operating depth of no less than 3,000m, core power components with pressure resistance of no less than 3,500m, system transmission efficiency of no less than 70%, track ground pressure not exceeding 5kPa, travelling speed of no less than 2km/h, electromagnetic cable detection depth of no less than 8m, with overall technology reaching internationally advanced levels.	Deep-sea marine equipment

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
13	Development of traction electrical systems for intercity and suburban EMUs based on silicon carbide devices	550	120	120	Conducted application discussions with prospective customers for SiC traction converters and collected user requirements; gradually progressing with solution design.	To conduct evaluation of silicon carbide devices in traction and auxiliary applications for intercity and suburban EMUs, including exploration of batch application of high-voltage silicon carbide devices and construction of a technological moat for new businesses, achieve lightweighting and efficiency improvement of traction systems for intercity and suburban EMUs, and promote the small-batch onboard application of the Company's proprietary SiC devices in intercity and suburban EMUs.	Developing a SiC traction converter for intercity and suburban EMUs, with rated efficiency ≥98.5%.	Rail transit electrical equipment

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
14	Development of the Electric Traction System for CR151 on Singapore Cross Island Line	543	94	424	1. Completed vehicle-level routine tests and type tests, with all items meeting the technical specifications of the Singapore Cross Island Line CR151 project; 2. The trains have arrived in Singapore and are awaiting line integration and commissioning tests.	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

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 a 150kW string-type photovoltaic inverter	497	131	471	1. All product specifications have been fully met, with the completion of prototype trial manufacturing and product certification testing; 2. Batch market deliveries have been carried out.	1. To achieve single MPPT maximum current of 48A, supporting access to 182/210 high-efficiency bifacial modules; 7 MPPT channel design with multi-peak maximum power point tracking to enhance power generation; 2. To equip with high-precision arc detection, intelligent disconnection protection technology, AC/DC terminal temperature detection and protection, and IV curve scanning functionality, further ensuring equipment safety and improving O&M efficiency; 3. To achieve IP66 enclosure protection rating, meeting the requirements for 5,000m high altitude and -40°C low temperature operation, with stronger environmental adaptability.	1. Addressing the application demands of high-power string-type inverters for commercial and industrial photovoltaics, completing the development and corresponding certification testing of the 150kW string-type photovoltaic inverter, achieving product application, and enriching the string-type inverter product portfolio; 2. Conducting research on refined thermal management technology to enhance product performance and reliability; 3. Researching high-precision intelligent arc detection technology, intelligent disconnection protection technology, and IV curve scanning functionality to enhance product intelligence and safety.	Industrial converter photovoltaic products

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
16	Development of HPS2.0 IGBT hydrogen production power supply product platform	539	123	387	1. Completed EMC analysis and RAMS analysis for the platform product, and optimised the platform product based on the analysis results; 2. Completed CE certification and IEC61850 standard compliance certification for the platform prototype, obtaining market access clearance for the European market.	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 Nm³/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 Nm³/h and below, achieving leading industry technical indicators and consolidating the leading position in the industry.	Industrial converter hydrogen products

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 a 215kW dual-stage string-type PCS (Power Conversion System) product	896	243	243	1. Determined the product technology roadmap, completed product function and technical specification confirmation, and system solution design; 2. Completed design, trial manufacturing and testing of the proof-of-concept prototype; 3. Completed application technology development for dual-stage topology; 4. Completed GB standard certification and EU safety standard certification; 5. Completed assembly and commissioning of the integrated unit for field validation.	To develop a 215kW dual-stage string-type PCS product based on a 1500V system, meeting rack-mounting installation requirements, and complete relevant domestic and overseas certifications.	1. Conducting research on dual-stage power topology and SiC device application technology in energy storage converters, supporting DC 800~1500Vdc and AC 800Vac charge/discharge operation, with no reverse current during high-voltage ride-through across the full SOC range, and maximum efficiency ≥99.02%; 2. Conducting research on dual-stage power control technology, adopting voltage-source VSG grid-forming control mode, and achieving functions including inertia support, primary frequency regulation, dynamic voltage regulation, and damping oscillation suppression.	Industrial converter energy storage products

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
18	Urban rail diesel-electric rail welding vehicle	287	49	200	Completed carbody steel structure, piping, wiring and interior trim installation; completed the compilation of vehicle factory acceptance and test specifications and commissioning procedures; completed bogie assembly and major component installation.	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
19	Development of seventh-generation high-voltage IGBT chips	5,903	423	423	Completed the design of the 3300V chip solution and initiated wafer fabrication.	To develop seventh-generation high-voltage IGBT chips, and to develop new-generation 3300V and 6500V IGBT modules with higher current ratings.	Overall technology reaching internationally advanced levels.	Power semiconductor devices

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
20	Packaging design and independent packaging and testing industrialisation of chip-level current sensors with integrated busbars for new energy applications	828	410	410	1. Completed DOE trials for die bonding, wire bonding and moulding processes on the proprietary packaging and testing production line, and finalised the formal process route and process parameters; 2. Completed programme development and debugging for mass-production FT room-temperature testing and high-temperature testing on the proprietary packaging and testing production line, as well as test fixture design, development and on-site debugging; 3. Completed the review of the reliability test plan for the NHC3010 chip-level current sensor; 4. Based on the finalised packaging and testing parameters, completed packaging and testing output for three discontinuous engineering batches.	To complete the research on key technologies of integrated busbar chip-level current sensors, complete the design of the NHC3010 chip-level current sensor, and achieve mass production on the proprietary packaging and testing production line; to meet the demand for high-precision current detection within a 200A range in new energy equipment sectors including wind, solar, storage and charging, as well as industrial applications.	Conducting design and research on structural optimisation of key components, electromagnetic-thermal-fluid multi-physics simulation, and multi-layer composite film packaging process integration. The developed chip-level current sensor achieves a size of only 30% of that of module-type products, with a standard SOW10 package form factor that matches market demand for miniaturised products. The innovative highly integrated solution combining current-carrying busbars, signal detection elements and insulating films ensures that the product's electrical parameters including bandwidth, sensitivity and insulation withstand voltage, as well as reliability indicators such as moisture sensitivity and high-temperature life, perform at the domestic leading level.	New energy sensor

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 an integrated range-extender hybrid powertrain product platform combining power generation and drive functions for automotive applications	1,231	287	287	Completed configuration optimisation and development of the power coupling device for the new P1.5 range-extender hybrid powertrain product platform integrating power generation and drive functions, achieving extremely low drag torque and engine direct-drive capability.	To complete the development of the P1.5 hybrid powertrain product, enabling the generator to be repurposed as a drive motor, with maximum efficiency of ≥94% for both power generation and driving modes, and achieving a 40% weight reduction compared to P1+P3 hybrid products.	Overall technical specifications reaching the industry-leading level.	New energy vehicle electric drive system
22	Development of a 1140V high-power shaft generator frequency converter	588	234	234	1. Completed confirmation of technical requirements for the 1140V high-power shaft generator frequency converter, and completed the preparation and review of the technical specification; 2. Completed scheme design and technical design of the 1140V high-power shaft generator frequency converter, and released system drawings; 3. Completed prototype production and high-voltage factory testing of the 1140V high-power shaft generator frequency converter; 4. Completed onshore system integration and commissioning.	To target large marine shaft generator systems, planning a shaft generator frequency converter with a voltage rating of 1140V and power rating of 3-4.5MW. 1. To complete system compatibility design and functional verification of the 1140V shaft generator frequency converter. 2. To complete system integration and commissioning in coordination with the system general contractor, ensuring system performance requirements are met.	1. Achieving the first application of the 1140V shaft generator system onboard vessels, creating a differentiated competitive landscape against mainstream market brands; 2. Applying three-level topology in the marine sector, contributing to the establishment of technological barriers; 3. Overall product performance reaching internationally advanced levels.	Industrial converter product
Total	/	22,814	5,653	6,738	/	/	/	/

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)	**4,365**	4,066
Percentage of R&D personnel in the workforce of the Company (%)	**40.71**	40.8
Total remuneration of R&D personnel	**69,328**	65,785.69
Average remuneration of R&D personnel	**15.88**	16.2

Educational backgrounds Education level	Number (persons)	Proportion (%)
Doctorate degree	146	3.35
Master degree	2,149	49.23
Bachelor degree	2,024	46.37
Junior college degree and below	46	1.05
Total	4,365	100.00

Age structure Age group	Number (persons)	Proportion (%)
Aged below 30 (exclusive of 30)	1,752	40.14
Aged 30-40 (inclusive of 30 and exclusive of 40)	1,691	38.74
Aged 40-50 (inclusive of 40 and exclusive of 50)	782	17.92
Aged 50-60 (inclusive of 50 and exclusive of 60)	137	3.14
Aged 60 and above	3	0.06
Total	4,365	100.00

6. *Other explanations*

☐Applicable ✔Not applicable

IV. RISK FACTORS

✔Applicable ☐Not applicable

(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 constantly improve the comprehensive competitiveness of products.

(IV) Operating Risk

✔Applicable ☐Not applicable

Demand in the rail transit industry is influenced by the macro-economy, local fiscal strength, infrastructure investment pace, and government policies. Investment in urban rail and railway projects slows 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 new energy 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. Besides, due to geopolitical and other factors, overseas operations are subject to significant uncertainty in contract performance and payment collection.

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, formulate response strategies in advance, and strengthen country-specific risk identification for overseas operations and implement tiered early warning and control measures; 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 for overseas projects, formulate countermeasures and strategies in advance, and strengthen the risk prevention awareness of relevant personnel; establish a full-process exchange rate risk management mechanism, and 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, 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, OEMs are sacrificing profit margins in blind pursuit of scale expansion, making it difficult for both upstream and downstream players in the industrial chain to achieve profitability. The new energy vehicle purchase tax subsidy has been phased out, and local governments have been implementing their own vehicle purchase subsidy policies, resulting in significant changes to the industry landscape. The electric drive sector is facing increasingly intense competition, posing considerable 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

During the "15th Five-Year Plan" period, the Company's development will be confronted with a profoundly complex and volatile external environment. Global economic growth is slowing, geopolitical conflicts persist, and overseas trade barriers continue to intensify. Domestically, local government finances remain under pressure, while infrastructure investment has decelerated. On the international front, imports of key raw materials are subject to restrictions, and exchange rate fluctuations are compounding pressures on export profitability. At the same time, risks related to the security of overseas assets and compliance in business operations are becoming increasingly severe. Compounded by the overlapping uncertainties of climate risks and geopolitical dynamics, these factors are casting a shadow over the prospects for 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

V. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

During the reporting period, the Company adhered to the development philosophy of "high-quality business management and efficient operations", remained committed to its "concentric diversification" strategy, deepened its presence in the rail transit sector with dedicated efforts, and pursued innovative development in emerging industries, thereby achieving steady and sustainable growth for the Company.

During the reporting period, the Company recorded revenue of RMB13.071 billion, representing a year-on-year increase of 7.01%, and net profit attributable to the shareholders of the Company of RMB1.712 billion, representing a year-on-year increase of 2.44%, primarily driven by the revenue growth. Basic earnings per share were RMB1.25 per share, representing an increase of 3.31% year on year. The weighted average rate of return on net assets was 3.96%, representing a marginal decrease of 0.18 percentage point as compared with the corresponding period last year.

(I) Principal Business Analysis

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

Unit: Yuan Currency: RMB

Accounting item	Amount for the current period	Amount for the same period last year	Change (%)
Revenue	**13,070,519,326**	12,213,971,602	7.01
Cost of sales	**8,781,978,368**	8,304,208,989	5.75
Selling expenses	**262,000,723**	228,177,596	14.82
Administrative expenses	**537,863,833**	472,313,764	13.88
Finance costs	**-51,652,247**	-178,326,863	Not applicable
R&D expenses	**1,351,402,697**	1,214,500,454	11.27
Net cash flow from operating activities	**1,481,282,814**	1,879,416,373	-21.18
Net cash flow from investing activities	**-597,106,403**	-5,123,370,146	Not applicable
Net cash flow from financing activities	**-1,171,921,962**	1,132,149,538	-203.51

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	**75.80**	69.11	9.67
Of which: Rail transit electric equipment business	**62.38**	55.15	13.11
Rail engineering machinery business	**5.90**	5.63	4.68
Communication signal system business	**5.44**	4.70	15.67
Other rail transit equipment business	**2.08**	3.63	-42.70
Emerging equipment business	**54.28**	52.44	3.50
Of which: Semiconductor business	**26.99**	24.16	11.69
Automotive business	**14.64**	9.99	46.50
Marine business	**5.53**	4.23	30.76
New energy business	**3.67**	10.47	-64.99
Industrial business	**3.45**	3.59	-3.74
Others	**0.63**	0.59	8.41
Total	**130.71**	122.14	7.01

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

Reasons for changes in selling expenses: mainly due to the year-on-year increase in employee remuneration.

Reasons for changes in administrative expenses: mainly due to the year-on-year increase in employee remuneration and maintenance expenses for office facilities.

Reasons for changes in finance costs: mainly due to the year-on-year decrease in interest income and increase in foreign exchange losses.

Reasons for changes in R&D expenses: mainly due to the year-on-year increase in R&D labor costs and R&D material consumption.

Reasons for changes in net cash flow from operating activities: mainly due to the year-on-year increase in cash payments for goods purchased and services received.

Reasons for changes in net cash flow from investing activities: mainly due to the year-on-year decrease in cash payments to acquire investments.

Reasons for changes in net cash flow from financing activities: mainly due to the decrease in other cash receipts relating to financing activities, and increase in other cash payments relating to financing activities.

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

☐ Applicable ✔ Not applicable

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

☐ Applicable ✔ Not applicable

(III) Analysis of Assets and Liabilities

✔Applicable ☐Not applicable

1. *Assets and liabilities*

Unit: Yuan

Item	Closing balance of the current period	Percentage of closing balance of the current period in total assets (%)	Closing balance of the previous year	Percentage of closing balance of the previous year in total assets (%)	Change in closing balance of the current period over the previous year (%)	Note
Held-for-trading financial assets	**1,500,562,247**	2.12	1,000,300,274	1.39	50.01	(1)
Bills receivable	**2,687,367,014**	3.79	5,294,265,231	7.34	-49.24	(2)
Trade receivables financing	**2,440,977,581**	3.44	3,693,354,480	5.12	-33.91	(3)
Non-current assets due within one year	**3,019,312,038**	4.26	1,132,085,530	1.57	166.70	(4)
Construction in progress	**2,410,200,764**	3.40	3,463,141,312	4.80	-30.40	(5)
Short-term borrowings	**114,930,381**	0.16	40,972,638	0.06	180.51	(6)
Employee benefits payable	**457,746,571**	0.65	260,710,380	0.36	75.58	(7)
Taxes payable	**320,573,836**	0.45	222,408,810	0.31	44.14	(8)

Other explanations

(1) Mainly due to the increase in held-for-trading financial assets acquired during the reporting period;

(2) Mainly due to the maturity of bills receivable measured at amortised cost during the reporting period;

(3) Mainly due to the maturity of trade receivables measured at fair value during the reporting period;

(4) Mainly due to the increase in the portion of cash management products due within one year held as at the end of the reporting period;

(5) Mainly due to the transfer of construction in progress upon acceptance to fixed assets during the reporting period;

(6) Mainly due to the increase in short-term borrowings secured from external banks during the reporting period;

(7) Mainly due to the annual bonuses provided for on schedule not yet falling due;

(8) Mainly due to the income taxes provided for the first half during the reporting period yet to be paid.

2. *Overseas assets*

✔Applicable ☐Not applicable

(1) Asset size

Where: Overseas assets amounted to RMB2,284,541,948, accounting for 3.22% of total assets.

(2) Explanation on the high proportion of overseas assets

☐ Applicable ✔Not applicable

Other explanations

None

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

✔Applicable ☐Not applicable

For details, please refer to "VII. Notes to Items of the Consolidated Financial Statements – 22. Assets with restricted ownership or right of use" in Section VIII. Financial Report.

4. *Other explanations*

☐ Applicable ✔Not applicable

(IV) Investment Analysis

1. *Overall analysis of external equity investment*

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Investment during the reporting period (RMB)	Investment in the same period last year (RMB)	Change
–	–	–

During the reporting period, the Company did not make external equity investments. No external equity investment was made during the same period last year either. As of the end of the reporting period, balance of the Group's external equity investments reached RMB807,653,243, representing a decrease of 0.75% from RMB813,726,934 at the beginning of the year. In particular, balance of long-term equity investments in associates and joint ventures reached RMB522,590,543, representing a decrease of 1.15% from RMB528,664,234 at the beginning of the year. For details, please refer to "VII. Notes to Items of the Consolidated Financial Statements – 12. Long-term Equity Investments" in the financial report as set out in Section VIII.

(1) Material equity investment

☐Applicable ✓Not applicable

(2) Material non-equity investment

☐Applicable ✓Not applicable

(3) Financial assets measured at fair value

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Asset type	Opening amount	Profit or loss from fair value changes in the current period	Accumulated fair value changes included in equity	Impairment provision in the current period	Purchase amount during the current period	Disposal/ redemption amount during the current period	Other changes	Closing balance
Held-for-trading financial assets	1,000,300,274	1,295,808	-	-	4,000,000,000	3,500,000,000	-1,033,835	1,500,562,247
Bills receivable measured at fair value	2,261,951,533	-	7,051,999	-	-	-	-392,900,518	1,876,103,014
Trade receivables measured at fair value – Yunxin	1,431,402,947	-	14,940,846	-	-	-	-881,469,226	564,874,567
Other equity instrument investments	285,062,700	-	-	-	-	-	-	285,062,700
Total	4,978,717,454	1,295,808	21,992,845	-	4,000,000,000	3,500,000,000	-1,275,403,579	4,226,602,528

Securities investment

☐Applicable ✓Not applicable

Derivatives investment

☐Applicable ✓Not applicable

(4) Investment in private equity investment fund

☐Applicable ✓Not applicable

Other explanations

None

(V) Sale of Major Assets and Equity Interests

☐Applicable ✓Not applicable

(VI) Analysis of Major Subsidiaries and Associates

✔Applicable ☐Not applicable

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

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Company name	Company type	Principal business	Registered capital	Total assets	Net assets	Revenue	Operating profits	Net profits
Zhuzhou CRRC Times Semiconductor Co., Ltd.	Subsidiary	R&D, production and sales of power semiconductor devices	5,647,633,598	18,739,897,645	11,969,029,988	2,706,495,495	210,398,287	211,519,072

Acquisition and disposal of subsidiaries during the reporting period

☐Applicable ✓Not applicable

Other explanations

☐Applicable ✓Not applicable

(VII) Structured Entities Controlled by the Company

☐Applicable ✔Not applicable

VI. OTHER DISCLOSURES

☐Applicable ✔Not applicable

Section IV Corporate Governance, Environment and Society

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

✔Applicable ☐Not applicable

Name	Position(s) held	Change	Reason for change	Explanation
Niu Jie	Deputy general manager	Resignation	Job redeployment	Resigned as deputy general manager of the Company due to job redeployment and continued to serve in the Company.
Zhang Dinghua	Core technician	Resignation	Job redeployment	No longer recognised as a core technician of the Company due to, among others, work post adjustment and division of duties, and continued to serve in the Company.
Qi Yu	Core technician	Resignation	Job redeployment	No longer recognised as a core technician of the Company due to, among others, work post adjustment and division of duties, and continued to serve in the Company.
Li Cheng	Core technician	Resignation	Job redeployment	No longer recognised as a core technician of the Company due to, among others, work post adjustment and division of duties, and continued to serve in the Company.
Liu Haoping	Core technician	Appointment	Job redeployment	Newly recognised as a core technician of the Company.
Zhu Bingquan	Core technician	Appointment	Job redeployment	Newly recognised as a core technician of the Company.
Xiong Yan	Core technician	Appointment	Job redeployment	Newly recognised as a core technician of the Company.

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

✔Applicable ☐Not applicable

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

2. On 29 June 2026, Mr. Zhang Dinghua, Mr. Qi Yu and Mr. Li Cheng were no longer recognised as core technicians of the Company due to work post adjustment and division of duties. Meanwhile, Mr. Liu Haoping, Mr. Zhu Bingquan and Mr. Xiong Yan were newly recognised as core technicians of the Company.

Explanation on Certification of Core Technicians of the Company

☐Applicable ✔Not applicable

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

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

Whether to distribute profit or transfer capital reserve fund into share capital	Yes
Bonus shares for every 10 shares (share)	–
Profit declared for every 10 shares (RMB) (tax inclusive)	4.60
Transfer of capital reserve fund into share capital for every 10 shares (share)	–
Explanations on plan for distribution of profits or transfer of capital reserve fund into share capital	

The Company proposes to distribute cash dividends to the Shareholders based on the total number of Shares determined on the record date fixed for the equity distribution which will be specified in the equity distribution implementation announcement. The Company proposes to distribute cash dividends of RMB4.60 (tax inclusive) for every ten Shares held by Shareholders, totaling RMB612,123,569.52 based on the total share capital of the Company of 1,330,703,412 shares as at 31 July 2026, accounting for 35.75% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for the first half of 2026. In case of any change in the total share capital of the Company from the date of the profit distribution announcement to the record date for implementation of the equity distribution, the Company proposes to maintain the payout ratio per Share unchanged, make corresponding adjustments to the total payout amount, and will publish separate announcement(s) on the specific adjustments. The above profit distribution plan has been considered and approved at the third meeting of the eighth session of the Board. This matter has been authorized at the 2025 annual general meeting held on 26 June 2026 and is not subject to consideration at the general meeting of the Company.

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

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

☐Applicable ✔Not applicable

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

Information on share incentive

☐Applicable ✔Not applicable

Other explanations

☐Applicable ✔Not applicable

Employee stock ownership plan

☐Applicable ✔Not applicable

Other incentive measures

☐Applicable ✔Not applicable

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

During the reporting period, there was no significant change in the Group's total workforce, employee composition and their remunerations and trainings as compared with those disclosed in the 2025 annual report.

V. INFORMATION ABOUT CORPORATE GOVERNANCE

(I) Corporate Governance Practice

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

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

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

Section IV Corporate Governance, Environment and Society

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

Pursuant to code provision C.1.5 of the CG Code, independent non-executive directors and other non-executive directors should generally attend general meetings to gain a comprehensive and balanced understanding of shareholders' views. Although Ms. Chen Zhiman was unable to attend the Company's annual general meeting held on 26 June 2026 due to other business commitments, all independent non-executive directors of the Company were present at the annual general meeting. In addition, pursuant to code provision F.1.3 of the CG Code, the chairman of the board should invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. In the absence of any committee chairman, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. Although Mr. Shang Jing, the chairman of the risk control committee of the Board (the "Risk Control Committee"), was unable to attend the annual general meeting of the Company held on 26 June 2026 due to other business engagements, there were sufficient Directors (including other members of the Risk Control Committee) present to ensure that they are available to answer relevant questions at the annual general meeting.

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

As at 30 June 2026, none of the Directors or chief executives of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she/it is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the SEHK Listing Rules (the "Model Code"), to be notified to the Company and the Hong Kong Stock Exchange.

(III) Securities Transactions by Directors

The Company has adopted a code of conduct no less exacting than that as provided in the Model Code as the code of conduct for all the Directors trading securities of the Company ("code of conduct"). Having made specific enquiry to all the Directors, all of them have confirmed that they have complied with the standards as stipulated by the code of conduct for the six months period ended 30 June 2026.

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

During the reporting period, the Company repurchased a total of 27,245,000 H Shares in the Share capital with a nominal value of RMB1 each on the Hong Kong Stock Exchange, at a total consideration of approximately HK$1,025,918,275.48 (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$)
February 2026	283,900	44.70	42.46	12,325,257.36
April 2026	7,823,600	36.70	33.68	273,701,340.75
May 2026	5,676,100	38.98	35.48	211,411,571.53
June 2026	13,461,400	40.00	37.36	528,480,105.84

10,245,600 H Shares repurchased by the Company from 10 February 2026 to 6 May 2026 were cancelled on 12 May 2026; and 16,999,400 H Shares repurchased from 7 May 2026 to 25 June 2026 were cancelled on 13 July 2026.

Save as disclosed in this interim report, during the reporting period and up to the date of this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares as defined under the Hong Kong Listing Rules). As at 30 June 2026, the Company did not hold any of such treasury shares. For the avoidance of doubt, as disclosed above, an aggregate of 16,999,400 H Shares repurchased but yet to be canceled by the Company as at 30 June 2026 were canceled altogether on 13 July 2026, and such shares thus do not constitute treasury shares of the Company.

Given that the repurchase of H Shares will improve net asset value per share and earnings per share of the Group and thus benefit the shareholders as a whole, shareholders approved a general mandate at the Company's annual general meeting, the A Share class meeting and H Share class meetings held on 27 June 2025, pursuant to which the Directors repurchased the H Shares.

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

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

The Audit Committee of the Company has reviewed the Group's unaudited interim condensed consolidated financial statements together with the management of the Company, with no disagreement with the accounting treatment adopted by the Group, and reviewed the interim report for the six months ended 30 June 2026 prepared under the PRC Accounting Standards, and was satisfied that the unaudited interim condensed consolidated financial statements and the interim report complied with applicable accounting standards, relevant regulatory and legal requirements, and sufficient disclosure has been made.

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

✔Applicable ☐Not applicable

Number of companies included in the statutory environmental disclosure list **3**

No.	Company name	Inquiry index for statutory disclosure reports on environmental information
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

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

☐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
	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 has 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	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	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, CRRC ZELRI and the Company's Directors (excluding independent non-executive Directors) and senior management	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: **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.	28 December 2020	Yes	long-term effective	Yes	–	–

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			II. Specific Measures of the Share Price Stabilisation Plan Upon satisfaction of the conditions for activation of the share price stabilisation measures, depending on the actual circumstances of the Company and the stock market, the share price stabilisation measures may be implemented in the following priority: 1. increase of shareholding in A Shares of the Company by the controlling shareholders of the Company; 2. repurchase of A Shares by the Company; 3. increase of shareholding in A Shares of the Company by the directors of the Company (excluding independent non-executive Directors, the same hereinafter) and the senior management of the Company. 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《(上市公司收購管理辦法》) and the Guidelines on Shareholding Increase by Shareholders and Parties Acting in Concert of Listed Companies《(上市公司股東及其一致行動人增持股份行為指引》), 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.						

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			2. Share Price Stabilisation Measures by the Company (1) Where the Company repurchases A Shares for the purpose of A Shares price stabilisation, it shall do so in compliance with the relevant laws, regulations and regulatory documents, including the Administrative Measures for Repurchase of Public Shares by Listed Companies (Trial) (《上市公司回購社會公眾股份管理辦法(試行)》), 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 RMB100 million. The Company shall implement the share price stabilisation measures after performing the relevant procedures stipulated in relevant laws, regulations and regulatory documents and obtaining the necessary approval.						

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			3. Share Price Stabilisation Measures by the Directors and Senior Management of the Company (1) Where the Directors and senior management of the Company increase shareholding in A Shares for the purpose of A Shares price stabilisation, they shall do so in compliance with the conditions and requirements of the laws, regulations and regulatory documents, including the Measures for the Administration of Acquisition of Listed Companies (《上市公司收購管理辦法》) and the Rules for the Administration of Shares and Changes in Shares Held by Directors, Supervisors and Senior Management of Listed Companies (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed. (2) If the Board of Directors of the Company fails to announce the aforementioned A Shares repurchase plan as scheduled, or the aforementioned A Shares repurchase plan fails to be passed at the Board meeting or the general meeting due to various reasons, subject to compliance with the laws, regulations, the listing rules of the place(s) where shares of the Company are listed and relevant policy requirements, the then Directors and senior management of the Company shall, within 30 trading days (if there are N trading days during which the Directors and senior management are restricted from acquiring and selling A Shares, then the Directors and senior management shall, within 30+N trading days) after the conditions for activation of the A Share price stabilisation measures are triggered or within 10 trading days (if there are N trading days during which the Directors and senior management are restricted from acquiring and selling A Shares, then the Directors and senior management shall, within 10+N trading days) after the aforementioned A Share repurchase plan fails to be passed at the Board meeting or the general meeting, notify the Company in writing of the specific plan for shareholding increase in A Shares, and the Company shall publish announcement(s) on information including but not limited to the quantity of the shareholding in A Shares proposed to be increased, price range and completion schedule. The respective accumulated amount for shareholding increase by Directors and senior management shall not be less than 10% of their total remuneration (after tax) received from the Company in the previous year.						

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

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			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.						

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			4. If the controlling shareholders, the Company, the Directors and senior management cannot fulfil 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	long-term effective	Yes	–	–

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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.						

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	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	long-term effective	Yes	–	–

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	Others	CRRC Group	CRRC Group has given the following undertakings in respect of share repurchase and share buy-back: 1. There are no false records, misleading statements or material omissions in the prospectus and other information disclosure materials of the Issuance of Times Electric, and the group shall bear corresponding legal responsibilities for its authenticity, accuracy and completeness. 2. In case of false records, misleading statements or material omissions in the prospectus and other information disclosure materials of Times Electric, or fraudulence in seeking approval on an originally unqualified IPO application which results in losses to shareholders of Times Electric and social public investors in trading securities of Times Electric, the group shall bear civil compensation liabilities and compensate shareholders of Times Electric and social public investors for losses in accordance with the provisions of relevant laws, regulations and regulatory documents based on the final decision or effective judgment of the CSRC or the people's court and other competent departments. 3. Where the CSRC, Shanghai Stock Exchange or other competent departments determine that the information of the prospectus and other information disclosure materials of Times Electric contains any false records, misleading statements or material omissions which have a significant and substantial impact on judging whether Times Electric meets the issuance and listing conditions stipulated in laws, regulations and regulatory documents, the group will urge Times Electric to repurchase all A Shares of Times Electric under the Issuance in accordance with the law. In the event that the aforesaid undertakings fail to be fulfilled, explicitly cannot be fulfilled or cannot be fulfilled on schedule, the group shall publicly explain the specific reasons for such failure in the media designated by the CSRC, and apologise to shareholders of Times Electric and public investors. Shareholders of Times Electric and public investors shall have the right to require the group to fulfill its undertakings through legal channels. If the group fails to fulfill its undertakings and thus causes losses to shareholders of Times Electric and public investors, the group shall make compensations according to law.	28 December 2020	Yes	long-term effective	Yes	–	–

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	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	long-term effective	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	long-term effective	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	long-term effective	Yes	–	–

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

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	Others	CRRC Group	CRRC Group has given the following undertakings on the remedial measures for dilution of immediate returns in respect of the Issue and Listing: 1. The group will strictly implement various laws, regulations and rules on the governance of listed companies to protect the interests of Times Electric and the public shareholders, and will not overstep their authority to interfere with the operation and management activities of Times Electric. 2. The group undertakes not to encroach on the interests of Times Electric in any way, and will abide by relevant laws and regulations and regulatory documents. 3. The group undertakes to strictly perform the above undertakings given by it. If the group has violated the undertakings or refuse to perform the undertakings, the group will perform explanation, apology and other corresponding obligations in accordance with the Guidance on Matters Related to Dilution of Immediate Returns as a result of Initial Issue, Refinancing and Major Asset Reorganisation (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) and other relevant regulations, and agrees to the regulatory measures or self-discipline regulatory measures made by China Securities Regulatory Commission, Shanghai Stock Exchange and China Association for Public Companies in accordance with the law. If losses are caused to Times Electric or 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	Yes	–	–

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	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: 1. 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; 2. undertake to restrict the post consumption behaviour of directors and senior management; 3. undertake not to appropriate the Company's assets to engage in investment and consumption activities unrelated to the performance of their duties; 4. 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; 5. 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); 6. 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; 7. 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 undertaking(s) in accordance with the provisions of the CSRC or the Shanghai Stock Exchange.	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	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
	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	long-term effective	Yes	–	–
	Others	The Company	The Company has given the following undertakings in respect of compensation under the law or compensation liabilities: 1. There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, and the Company shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus and other information disclosure materials. 2. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, the Company shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur. 3. Where there were discrepancies in the requirements 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	–	–

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: 1. There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, and CRRC ZELRI shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus and other information disclosure materials. 2. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, the company shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur. 3. Where there were discrepancies in the requirements 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	–	–

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 Group	CRRC Group has given the following undertakings in respect of compensation under the law or compensation liabilities: 1. There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, and CRRC Group shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus and other information disclosure materials. 2. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, the group shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur. 3. Where there were discrepancies in the requirements 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	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	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	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: 1. 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. 2. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, 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. 3. 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	–	–

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

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	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: 1. Where the relevant undertakings made publicly by me in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If I violate such undertakings, I agree to take the restrictive measures already specified in the undertakings. 2. Where the relevant undertakings made publicly by me in the prospectus do not contain restrictive measures and I fail to fully or effectively fulfill such undertakings due to reasons other than force majeure, I agree to adopt the following restrictive measures: (1) I shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to shareholders and social public investors on newspapers designated by the general meeting, the Shanghai Stock Exchange and China Securities Regulatory Commission; (2) I shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities; (3) If shareholders and social public investors suffer losses in securities trading due to my failure to fulfill the above undertakings, I shall compensate shareholders and social public investors for the losses according to law; (4) If I receive the salary from Times Electric, I agree that Times Electric can stop paying the salary to me and use it directly to perform my unfulfilled undertakings or to compensate for the loss caused to Times Electric and its shareholders by my unfulfilled undertakings; (5) Other measures available for adoption according to the then prevailing regulations.	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	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 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	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	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 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	–	–

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
	Related Party Transactions	CRRC ZELRI	CRRC ZELRI has given the undertakings in respect of regulating related party transactions, details of which are as follows: 1. The company and companies under its control (excluding Times Electric and companies under its control, the same hereinafter) shall try their best to avoid unnecessary related party transactions with Times Electric and companies under its control. 2. For the unavoidable related party transactions related to the business activities of Times Electric and companies under its control, the company and companies under its control will strictly abide by the relevant requirements of laws and regulations and regulatory documents on related party transactions, and will conduct transactions with Times Electric and companies under its control at fair prices based on the principles of equality and mutual benefit, good faith, compensation of equal value, and fairness and reasonableness, so as to ensure that the legitimate rights and interests of Times Electric and other shareholders of Times Electric will not be harmed, 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	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
	Related Party Transactions	CRRC Group	CRRC Group has given the undertakings in respect of regulating related party transactions, details of which are as follows: 1. 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. 2. 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. 3. 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. 4. The group undertakes to indemnify Times Electric and companies under its control against all actual loss, damage and expenses suffered/occurred for breach by the group and companies under its control of any clause of the undertakings, and to bear the corresponding liabilities in accordance with the law.	28 December 2020	Yes	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	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Non-competition undertakings	CRRC 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	the letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when CRRC Group is the indirect controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci- Tech Innovation Board.	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
			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.						

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Non-competition undertakings	CRRC ZELRI	CRRC ZELRI has given the undertakings in respect of non-competition, details of which are as follows: 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.	20 December 2020	Yes	the letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when CRRC ZELRI is the direct controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci-Tech Innovation Board.	Yes	–	–

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
			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.						

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
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	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	Yes	–	–

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

Section V Significant Events

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

☐Applicable ✔Not applicable

III. ILLEGAL GUARANTEES

☐Applicable ✔Not applicable

IV. AUDIT OF THE INTERIM REPORT

☐Applicable ✔Not applicable

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

☐Applicable ✔Not applicable

VI. MATTERS RELEVANT TO WINDING UP AND SCHEME OF ARRANGEMENT

☐Applicable ✔Not applicable

VII. MATERIAL LITIGATION AND ARBITRATION MATTERS

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

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

☐Applicable ✔Not applicable

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

☐Applicable ✔Not applicable

X. MAJOR CONTRACTS AND THEIR PERFORMANCE

(I) Entrustment, contracting and leasing matters

☐Applicable ✔Not applicable

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

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

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

Guarantees provided by the Company and its subsidiaries for subsidiaries												
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Relationship between the guaranteed party and the listed company	Amount guaranteed	Date of guarantee (date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Whether the guarantee has been performed	Overdue or not	Amount overdue	Whether there is counter guarantee
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	35,336,840.00	2025/7/28	2025/7/28	2027/7/7	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	13,521,750.00	2025/7/25	2025/7/25	2027/7/7	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	19,433,027.43	2025/7/28	2025/7/28	2026/5/21	Joint liability guarantee	Yes	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	35,336,840.00	2025/8/28	2025/8/28	2027/7/7	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	13,521,750.00	2025/8/28	2025/8/28	2027/7/7	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	225,362,500.00	2025/10/12	2025/10/12	2026/10/12	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	19,433,027.43	2025/11/12	2025/11/12	2026/5/21	Joint liability guarantee	Yes	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	11,659,816.46	2026/1/5	2026/1/5	2026/5/21	Joint liability guarantee	Yes	No	Not applicable	No

Guarantees provided by the Company and its subsidiaries for subsidiaries													
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Relationship between the guaranteed party and the listed company	Amount guaranteed	Date of guarantee (date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Whether the guarantee has been performed	Overdue or not	Amount overdue	Whether there is counter guarantee
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	6,305,642.75	2026/1/8	2026/1/8	2027/9/13	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	35,336,840.00	2026/5/21	2026/5/21	2027/6/7	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	13,521,750.00	2026/5/22	2026/5/22	2027/6/7	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	19,433,027.43	2026/5/21	2026/5/21	2027/3/2	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	19,433,027.43	2026/5/21	2026/5/21	2027/3/2	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	11,659,816.46	2026/5/21	2026/5/21	2027/3/2	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	12,611,285.50	2026/6/15	2026/6/15	2026/10/30	Joint liability guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	15,495,925.50	2026/6/15	2026/6/15	2027/8/30	Joint liability guarantee	No	No	Not applicable	No
Total guarantee to subsidiaries incurred during the reporting period												145,457,131.53
Total balance of guarantee to subsidiaries as at the end of the reporting period (B)												456,879,995.07

Aggregate guarantee of the Company (including those provided to subsidiaries)	
Aggregate guarantee (A+B)	456,879,995.07
Percentage of aggregate guarantee to net assets of the Company (%)	1.08
Representing:	
Amount of guarantee provided for shareholders, actual controller and related parties (C)	0.00
Amount of debt guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)	456,879,995.07
Excess amount of aggregate guarantee over 50% of net assets (E)	0.00
Aggregate amount of the above three categories (C+D+E)	456,879,995.07
Description of the contingent joint and several repayment liability in connection with unexpired guarantee	Not applicable
Description of guarantee	On 27 March 2026, the 24th meeting of the seventh session of the Board considered and approved the Resolution on the Company's External Guarantee Plan in 2026

(III) Other material contracts

☐Applicable ✔Not applicable

XI. EXPLANATION ON PROGRESS IN USE OF PROCEEDS

✔Applicable ☐Not applicable

(I) Overall utilisation of proceeds

✔Applicable ☐Not applicable

Unit: Yuan

Source of proceeds	Date of receiving the proceeds	Total proceeds	Net proceeds (1)	Total promised investment amounts of proceeds stated in the prospectus or offering memorandum (2)	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 period (8)	Percentage of investment amount for the period (%) (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	0	7,672,631,519	0	103.08	Not applicable	81,832,213	1.10	Not applicable
Total	/	7,555,057,430	7,443,212,046	7,443,212,046	0	7,672,631,519	0	103.08	Not applicable	81,832,213	1.10	Not applicable

Other explanations

☐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 current year	Total accumulated investment amount of proceeds as 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 progress of investment is in line with planned schedule or not	Specific reason for failure to reach the planned schedule of investment	Economic benefits achieved during the current year	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	869	2,200,115,859	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	1,070,830,000	1,338	1,152,528,094	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	81,791,998	878,867,377	101.10	2026	Yes	Yes	Not applicable	Not applicable	Not applicable	No	35,642,863 (Note 1)
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	4,174	842,483,003	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	33,834	917,276,601	98.53	2025	Yes	Yes	Not applicable	Not applicable	Not applicable	No	78,170,008 (Note 2)
Initial public issue on the STAR Market	Replenishment of working capital	Replenishment of working capital and repayment of debt	Yes	No	1,676,612,046	0	1,681,360,585	100.28	Not applicable	Yes	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Total	/	/	/	/	7,443,212,046	81,832,213	7,672,631,519	103.08	/	/	/	/	/	/	/	113,812,871

Note 1: At the 2nd meeting of the audit committee of the eighth session of the Board and the 3rd meeting of the eighth session of the Board held on 19 August 2026, the Resolution on Finalising the Project to be Financed with the Proceeds and Permanently Replenishing Working Capital with the Balance of Proceeds was considered and approved, pursuant to which, the Company has been approved to finalise the "new energy vehicle electric drive system R&D application project", and permanently replenish working capital with the balance of proceeds of an estimated amount of RMB35,642,900 (including interest income and cash management yield, subject to the actual amount of balance as at the date of remittance). China International Capital Corporation Limited, the sponsor, has issued a clear and unqualified verification opinion regarding the aforesaid arrangement.

Note 2: At the 14th meeting of the audit committee of the seventh session of the Board and the 23rd meeting of the seventh session of the Board held on 28 January 2026, the Resolution on Finalising Certain Projects to be Financed with the Proceeds and Permanently Replenishing Working Capital with the Balance of Proceeds was considered and approved, pursuant to which, the Company has been approved to finalise the "innovative experimental platform construction project", and permanently replenish working capital with the balance of proceeds of an estimated amount of RMB78,170,000 (including interest income and cash management yield, subject to the actual amount of balance as at the date of remittance). China International Capital Corporation Limited, the sponsor, has issued a clear and unqualified verification opinion regarding the aforesaid arrangement.

2. Breakdown of use of surplus proceeds

☐Applicable ✔Not applicable

3. Explanation on reassessment of the projects to be financed with raised proceeds during the reporting period

☐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	0	No

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 30 June 2026, the balance of cash management products purchased by the Company using idle raised funds was RMB0. 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 Construction Bank Zhuzhou Tianxin Branch	Certificate of deposit	60,000,000	28 November 2025	28 February 2026	0.90%	136,109.59	Yes
China Construction Bank Zhuzhou Tianxin Branch	Call deposit	50,000,000	18 March 2026	18 April 2026	0.65%	27,986.11	Yes
China Construction Bank Zhuzhou Tianxin Branch	Call deposit	30,000,000	27 April 2026	26 June 2026	0.65%	32,500.00	Yes

4. *Others*

☐Applicable ✔Not applicable

(V) Statement regarding abnormal findings by intermediary institutions in the verification of the deposit and use of raised proceeds

☐Applicable ✔Not applicable

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

☐Applicable ✔Not applicable

XII. EXPLANATION OF OTHER SIGNIFICANT EVENTS

☐Applicable ✔Not applicable

Section VI Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

Unit: Share

	Before changes		Changes for the period (+, –)					After changes	
	Number of shares	Percentage (%)	New shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	Number of shares	Percentage (%)
I. Shares subject to trading moratorium	–	–	–	–	–	–	–	–	–
1. State-owned shares	–	–	–	–	–	–	–	–	–
2. State-owned legal person shares	–	–	–	–	–	–	–	–	–
3. Other domestic shareholding	–	–	–	–	–	–	–	–	–
Of which: Domestic non-state-owned legal person shares	–	–	–	–	–	–	–	–	–
Domestic natural person shares	–	–	–	–	–	–	–	–	–
4. Foreign shareholding	–	–	–	–	–	–	–	–	–
Of which: Overseas legal person shares	–	–	–	–	–	–	–	–	–
Overseas natural person shares	–	–	–	–	–	–	–	–	–
II. Circulating shares not subject to trading moratorium	1,357,948,412	100.00	–	–	–	-10,245,600	-10,245,600	1,347,702,812	100.00
1. RMB ordinary shares	868,907,512	63.99	–	–	–	–	–	868,907,512	64.47
2. Domestically listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas listed foreign shares	489,040,900	36.01	–	–	–	-10,245,600	-10,245,600	478,795,300	35.53
4. Others	–	–	–	–	–	–	–	–	–
III. Total number of shares	1,357,948,412	100.00	–	–	–	-10,245,600	-10,245,600	1,347,702,812	100.00

2. Explanation on changes in shares

✔Applicable ☐Not applicable

On 12 May 2026, the Company canceled certain repurchased H Shares and resulted in a change in the total share capital of the Company by a reduction of 10,245,600 shares from 1,357,948,412 shares to 1,347,702,812 shares.

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

✔Applicable ☐Not applicable

On 13 July 2026, the Company canceled the repurchased 16,999,400 H Shares, resulting in a change in its total share capital from 1,347,702,812 shares to 1,330,703,412 shares, which effectively enhanced the net asset value per share and earnings per share of the Company and contributed to value return to all shareholders, and thus was in the interests of the Company and the shareholders as a whole.

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

☐Applicable ✔Not applicable

(II) Changes in shares subject to trading moratorium

☐Applicable ✔Not applicable

II. SHAREHOLDERS

(I) Total Number of Shareholders:

Total number of ordinary shareholders as at the end of the reporting period (account)	31,219
Total number of shareholders of preference shares with restored voting rights as at the end of the reporting period (account)	Not applicable
Total number of shareholders holding shares with special voting rights as at the end of the reporting period (account)	Not applicable

Note: As at the end of the reporting period, the Company had 30,225 A shareholders and 994 registered H shareholders.

Number of depositary receipt holders

☐Applicable ✔Not applicable

Section VI Changes in Shares and Particulars of Shareholders

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

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

☐Applicable ✔Not applicable

Unit: Share

Particulars of shareholdings of the top ten Shareholders (Number of shares excluding lending shares for securities financing)								
Name of Shareholders (full name)	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	Number of restricted shares including lending shares for securities financing	Shares pledged, marked or frozen		Nature of shareholders
						Status of shares	Number of shares	
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	0	600,381,485	44.55	–	–	None	–	State-owned legal person
HKSCC NOMINEES LIMITED	-10,209,600	477,536,066	35.43	–	–	Unknown	–	Overseas legal person
Hong Kong Securities Clearing Company Limited	-1,297,529	11,095,601	0.82	–	–	Unknown	–	Overseas legal person
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	0.73	–	–	None	–	State-owned legal person
National Social Security Fund Portfolio 113 (全國社保基金一一三組合)	-10,223,047	7,045,970	0.52	–	–	Unknown	–	Unknown
National Social Security Fund Portfolio 110 (全國社保基金一一零組合)	0	5,278,552	0.39	–	–	None	–	Unknown
Basic Pension Fund Portfolio 802 (基本養老保險基金八零二組合)	-9,506,156	4,984,118	0.37	–	–	None	–	Unknown
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)	-5,451,087	4,708,633	0.35	–	–	None	–	Unknown
China Chengtong Holdings Group Ltd. (中國誠通控股集團有限公司)	3,842,991	4,440,005	0.33	–	–	None	–	State-owned legal person

Section VI Changes in Shares and Particulars of Shareholders

Particulars of shareholdings of the top ten Shareholders not subject to trading moratorium (Number of shares excluding lending shares for securities financing)			
Name of Shareholders	Number of circulating shares held not subject to trading moratorium	Type and number of shares: Type	Number
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	477,536,066	Overseas listed foreign shares	477,536,066
Hong Kong Securities Clearing Company Limited	11,095,601	RMB ordinary shares	11,095,601
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	10,000,000	RMB ordinary shares	10,000,000
CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司)	9,800,000	RMB ordinary shares	9,800,000
National Social Security Fund Portfolio 113 (全國社保基金一一三組合)	7,045,970	RMB ordinary shares	7,045,970
National Social Security Fund Portfolio 110 (全國社保基金一一零組合)	5,278,552	RMB ordinary shares	5,278,552
Basic Pension Fund Portfolio 802 (基本養老保險基金八零二組合)	4,984,118	RMB ordinary shares	4,984,118
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)	4,708,633	RMB ordinary shares	4,708,633
China Chengtong Holdings Group Ltd. (中國誠通控股集團有限公司)	4,440,005	RMB ordinary shares	4,440,005
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	CRRC Zhuzhou Institute Co., Ltd. is a direct controlling shareholder of the Company. CRRC Corporation Limited, as the shareholder holding 100% equity interests in CRRC Zhuzhou Institute Co., Ltd., CRRC Zhuzhou Locomotive Co., Ltd. and CRRC Hong Kong Capital Management Co., Ltd., indirectly held a total of 610,381,485 RMB ordinary shares of the Company through CRRC Zhuzhou Institute Co., Ltd. and CRRC Zhuzhou Locomotive Co., Ltd., and indirectly held 65,460,000 overseas listed foreign shares of the Company through CRRC Hong Kong Capital Management Co., Ltd. CRRC Corporation Limited indirectly held a total of 50.15% 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.

Section VI Changes in Shares and Particulars of Shareholders

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

☐Applicable ✔Not applicable

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

☐Applicable ✔Not applicable

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

☐Applicable ✔Not applicable

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 depository receipts subject to trading moratorium and conditions of such trading moratorium

☐Applicable ✔Not applicable

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

☐Applicable ✔Not applicable

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

☐Applicable ✔Not applicable

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

As at 30 June 2026, 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	Approximate percentage of H Shares	Approximate percentage of total issued shares of the Company
CRRC ZELRI	A Shares	600,381,485 (Long position)	Beneficial owner	69.10%	–	44.55%
CRRC (Note 1)	A Shares	610,381,485 (Long position)	Interest in controlled entity	70.25%	–	45.29%
	H Shares	65,460,000 (Long position)	Interest in controlled entity	–	13.67%	4.86%
CRRC Group (Note 2)	A Shares	610,381,485 (Long position)	Interest in controlled entity	70.25%	–	45.29%
	H Shares	65,460,000 (Long position)	Interest in controlled entity	–	13.67%	4.86%
CRRC Hong Kong Capital Management Co., Limited	H Shares	65,460,000 (Long position)	Beneficial owner	–	13.67%	4.86%
JPMorgan Chase & Co.	H Shares	4,664,225 (Long position)	Beneficial owner	–	0.97%	0.35%
		4,616,048 (Short position)	Beneficial owner	–	0.96%	0.34%

Section VI Changes in Shares and Particulars of Shareholders

Name of substantial shareholders	Class of shares	Number of shares held	Capacity	Approximate percentage of A Shares	Approximate percentage of H Shares	Approximate percentage of total issued shares of the Company
		16,357,092 (Long position)	Investment manager	–	3.42%	1.21%
		600 (Short position)	Investment manager	–	0.00%	0.00%
		52,100 (Long position)	Secured equity holder	–	0.01%	0.00%
		11,974,482 (Long position)	Approved lending agent	–	2.50%	0.89%

Notes: As at 30 June 2026, the number of issued shares of the Company was 1,347,702,812 shares, including 478,795,300 H Shares and 868,907,512 A Shares.

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

2. CRRC Group is directly and indirectly interested in 51.45% of the shares of CRRC. Accordingly, CRRC Group is deemed under the SFO to be interested in the shares held by CRRC.

Save as disclosed above, as at 30 June 2026, 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.

IV. INFORMATION OF DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

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

☐Applicable ✔Not applicable

Other explanations

☐Applicable ✔Not applicable

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

1. Stock option

☐Applicable ✔Not applicable

2. The first type of restricted stocks

☐Applicable ✔Not applicable

3. The second type of restricted stocks

☐Applicable ✔Not applicable

(III) Other Explanations

☐Applicable ✔Not applicable

Section VI Changes in Shares and Particulars of Shareholders

V. CHANGES IN THE CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

☐Applicable ✔Not applicable

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

☐Applicable ✔Not applicable

VII. SHARES WITH SPECIAL VOTING RIGHTS

☐Applicable ✔Not applicable

VIII. PREFERENCE SHARES

☐Applicable ✔Not applicable

Section VII Corporate Bonds

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

☐Applicable ✔Not applicable

II. CONVERTIBLE BONDS OF THE COMPANY

☐Applicable ✔Not applicable

Section VIII Financial Report

I. AUDIT REPORT

☐Applicable ✓ Not applicable

II. FINANCIAL STATEMENTS

Consolidated balance sheet
June 30, 2026

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

Unit: Yuan Currency: RMB

Item	Notes	June 30, 2026	December 31, 2025
Current assets:			
Cash and bank balances	VII. 1	**5,015,037,603**	6,713,862,572
Held-for-trading financial assets	VII. 2	**1,500,562,247**	1,000,300,274
Notes receivable	VII. 3	**2,687,367,014**	5,294,265,231
Accounts receivable	VII. 4	**14,575,281,082**	12,257,442,840
Receivables financing	VII. 5	**2,440,977,581**	3,693,354,480
Prepayments	VII. 6	**805,682,848**	749,333,113
Other receivables	VII. 7	**258,760,522**	233,930,619
Including: interest receivable		**–**	–
Dividends receivable		**–**	240,000
Inventories	VII. 8	**9,790,982,020**	8,705,769,417
Including: data resources		**–**	–
Contract assets	VII. 9	**984,326,358**	1,072,969,583
Non-current assets due within one year	VII. 10	**3,019,312,038**	1,132,085,530
Other current assets	VII. 11	**839,510,995**	986,862,597
Total current assets		**41,917,800,308**	41,840,176,256

Section VIII Financial Report

Item	Notes	June 30, 2026	December 31, 2025
Non-current assets:			
Long-term receivables		–	301,219
Long-term equity investments	VII. 12	522,590,543	528,664,234
Other equity instrument investments	VII. 13	285,062,700	285,062,700
Fixed assets	VII. 14	12,482,884,708	11,394,887,172
Construction in progress	VII. 15	2,410,200,764	3,463,141,312
Right-of-use assets	VII. 16	397,374,641	416,531,090
Intangible assets	VII. 17	1,392,917,628	1,417,058,213
Including: data resources		–	–
Development expenditures	VIII. (2)	296,775,620	271,462,305
Including: data resources		–	–
Goodwill	VII. 18	229,700,297	238,312,284
Long-term deferred expenses	VII. 19	23,920,333	23,356,690
Deferred tax assets	VII. 20	1,071,609,066	952,977,752
Other non-current assets	VII. 21	9,863,535,917	11,252,305,871
Total non-current assets		28,976,572,217	30,244,060,842
Total assets		70,894,372,525	72,084,237,098
Current liabilities:			
Short-term loans	VII. 23	114,930,381	40,972,638
Bills payable	VII. 24	6,565,203,053	8,703,157,466
Accounts payable	VII. 25	8,398,450,207	8,692,091,331
Contract liabilities	VII. 26	1,604,650,583	1,696,756,907
Employee benefits payable	VII. 27	457,746,571	260,710,380
Taxes payable	VII. 28	320,573,836	222,408,810
Other payables	VII. 29	4,709,955,043	3,753,027,316
Including: interest payable		–	–
Dividends payable		904,878,320	11,405,000
Non-current liabilities due within one year	VII. 30	921,611,354	975,638,239
Other current liabilities	VII. 31	196,232,119	205,580,875
Total current liabilities		23,289,353,147	24,550,343,962

Item	Notes	June 30, 2026	December 31, 2025
Non-current liabilities:			
Long-term loans	VII. 32	**43,188,000**	48,688,000
Lease liabilities	VII. 33	**271,186,142**	298,727,328
Long-term payables	VII. 34	**–**	–
Provisions	VII. 35	**843,664,892**	679,034,434
Deferred income	VII. 36	**527,474,924**	562,194,753
Deferred tax liabilities	VII. 20	**15,834,315**	17,505,427
Other non-current liabilities		**2,960,872**	2,960,872
Total non-current liabilities		**1,704,309,145**	1,609,110,814
Total liabilities		**24,993,662,292**	26,159,454,776
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 37	**1,347,702,812**	1,357,948,412
Capital reserve	VII. 38	**11,090,722,656**	11,401,454,321
Less: Treasury shares		**576,505,717**	–
Other comprehensive income	VII. 39	**-210,493,935**	-202,728,632
Special reserve	VII. 40	**171,680,634**	154,943,137
Surplus reserve	VII. 41	**3,852,572,724**	3,852,572,724
Retained earnings	VII. 42	**26,730,092,527**	25,922,673,470
Total equity attributable to owners (or shareholders) of the parent company		**42,405,771,701**	42,486,863,432
Non-controlling interests		**3,494,938,532**	3,437,918,890
Total owners' equity (or shareholders' equity)		**45,900,710,233**	45,924,782,322
Total liabilities and owners' equity (or shareholders' equity)		**70,894,372,525**	72,084,237,098

Leagl representative: **Li Donglin**

Chief Financial Officer: **Sun Shan**

Head of accounting department: **Yuan Feng**

Section VIII Financial Report

Balance sheet of the parent company
June 30, 2026

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

Unit: Yuan Currency: RMB

Item	Notes	June 30, 2026	December 31, 2025
Current assets:			
Cash and bank balances		2,919,606,803	4,442,641,946
Held-for-trading financial assets		1,500,562,247	1,000,300,274
Bills receivable		2,303,706,058	4,222,070,352
Accounts receivable	XIX. 1	10,978,195,548	8,417,883,620
Receivables financing		1,179,073,874	2,550,194,668
Prepayments		260,065,292	336,448,038
Other receivables	XIX. 2	3,549,113,947	2,898,381,138
Including: interest receivable		–	–
Dividends receivable		23,662,400	313,935,000
Inventories		5,546,437,354	5,402,301,850
Including: data resources		–	–
Contract assets		465,618,682	458,002,555
Non-current assets due within one year		2,930,955,262	1,012,313,010
Other current assets		124,526,331	408,237,731
Total current assets		31,757,861,398	31,148,775,182
Non-current assets:			
Long-term receivables		703,512,427	711,010,347
Long-term equity investments	XIX. 3	11,388,122,135	11,387,207,354
Other equity instrument investments		285,062,700	285,062,700
Fixed assets		2,505,076,808	2,604,263,962
Construction in progress		225,190,471	179,876,871
Right-of-use assets		88,276,560	89,431,738
Intangible assets		415,483,533	466,531,101
Including: data resources		–	–
Development expenditures		71,244,635	59,053,386
Including: data resources		–	–
Long-term deferred expenses		3,132,575	3,956,885
Deferred tax assets		424,053,227	363,393,601
Other non-current assets		8,876,650,138	10,296,917,832
Total non-current assets		24,985,805,209	26,446,705,777
Total assets		56,743,666,607	57,595,480,959

Item	Notes	June 30, 2026	December 31, 2025
Current liabilities:			
Short-term loans		–	–
Trading financial liabilities		–	–
Bills payable		3,011,433,203	4,757,405,817
Accounts payable		5,696,993,367	5,406,966,972
Advances from customers		–	–
Contract liabilities		1,097,118,859	1,211,694,763
Employee benefits payable		154,016,245	107,807,544
Taxes payable		174,639,334	39,990,463
Other payables		6,929,433,290	6,237,666,379
Including: interest payable		–	–
Dividends payable		904,878,320	–
Non-current liabilities due within one year		668,230,772	709,084,166
Other current liabilities		142,156,750	156,928,178
Total current liabilities		17,874,021,820	18,627,544,282
Non-current liabilities:			
Long-term loans		43,188,000	48,688,000
Lease liabilities		45,574,091	50,019,263
Long-term payables		–	–
Provisions		577,128,403	446,554,619
Deferred income		123,166,237	118,575,496
Deferred tax liabilities		–	–
Other non-current liabilities		2,960,872	2,960,872
Total non-current liabilities		792,017,603	666,798,250
Total liabilities		18,666,039,423	19,294,342,532

Item	Notes	June 30, 2026	December 31, 2025
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		**1,347,702,812**	1,357,948,412
Capital reserve		**8,634,408,451**	8,944,376,585
Less: treasury shares		**576,505,717**	–
Other comprehensive income		**-164,964**	-18,545,397
Special reserve		**40,909,959**	33,688,310
Surplus reserve		**3,852,572,724**	3,852,572,724
Retained earnings		**24,778,703,919**	24,131,097,793
Total owners' equity (or shareholders' equity)		**38,077,627,184**	38,301,138,427
Total liabilities and owners' equity (or shareholders' equity)		**56,743,666,607**	57,595,480,959

Leagl representative: **Li Donglin**

Chief Financial Officer: **Sun Shan**

Head of accounting department: **Yuan Feng**

Section VIII Financial Report

Consolidated income statement

From January–June 2026

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

Unit: Yuan Currency: RMB

Item		Notes	Semi-annual 2026	Semi-annual 2025
I.	Total operating income	VII. 43	13,070,519,326	12,213,971,602
	Including: operating income		13,070,519,326	12,213,971,602
II.	Total operating costs		10,956,583,890	10,137,971,280
	Including: operating costs	VII. 43	8,781,978,368	8,304,208,989
	Taxes and surcharges	VII. 44	74,990,516	97,097,340
	Selling expenses	VII. 45	262,000,723	228,177,596
	Administrative expenses	VII. 46	537,863,833	472,313,764
	Research and development expenses	VII. 47	1,351,402,697	1,214,500,454
	Financial expenses	VII. 48	-51,652,247	-178,326,863
	Including: interest expense		16,184,763	10,105,440
	Interest income		127,910,927	156,837,561
	Add: other income	VII. 49	98,492,978	227,773,732
	Investment income (losses denoted by "-")	VII. 50	-3,858,848	-12,407,308
	Including: Gains from investments in associates and joint ventures (losses denoted by "-")		-5,573,691	-5,725,477
	Gains from derecognition of financial assets measured at amortised cost		–	–
	Gains from changes in fair value (losses to be indicated by "-")	VII. 51	1,295,808	8,109,370
	Credit impairment losses (losses indicated by "-")	VII. 52	-150,479,446	-219,633,427
	Asset impairment losses (losses indicated by "-")	VII. 53	-15,888,824	-4,043,371
	Gains on disposal of assets (losses indicated by "-")	VII. 54	-2,485,777	-682,457
III.	Operating profit (loss indicated by "-")		2,041,011,327	2,075,116,861
	Add: non-operating income	VII. 55	21,998,889	21,255,082
	Less: non-operating expenses	VII. 56	8,421,100	8,625,632
IV.	Total profit (total loss indicated by "-")		2,054,589,116	2,087,746,311
	Less: income tax expense	VII. 57	287,064,005	303,550,257

Item		Notes	**Semi-annual 2026**	Semi-annual 2025
V.	Net profit (net loss to be indicated by "-")		**1,767,525,111**	1,784,196,054
	(I) Classified by continuity of operations			
	1. Net profit from continuing operations (net loss to be presented with "-")		**1,767,525,111**	1,784,196,054
	2. Net profit from discontinued operations (net loss to be presented with "-")		**–**	–
	(II) Classified by ownership attribution			
	1. Net profit attributable to shareholders of the parent company (net losses denoted by "-")		**1,712,297,377**	1,671,501,854
	2. Profit or loss attributable to minority shareholders (net losses indicated by "-")		**55,227,734**	112,694,200
VI.	Other comprehensive income, net of tax	VII. 39	**-7,558,301**	47,532,540
	(I) Other comprehensive income, net of tax, attributable to owners of the parent company		**-7,765,303**	49,969,387
	1. Other comprehensive income that cannot be reclassified to profit or loss		**–**	–
	2. Other comprehensive income to be reclassified to profit or loss		**-7,765,303**	49,969,387
	(1) Changes in fair value of other debt investments		**18,025,281**	13,599,223
	(2) Translation differences of foreign currency financial statements		**-25,790,584**	36,370,164
	(II) Other comprehensive income, net of tax, attributable to minority shareholders		**207,002**	-2,436,847
VII.	Total comprehensive income		**1,759,966,810**	1,831,728,594
	(I) Total comprehensive income attributable to owners of the parent company		**1,704,532,074**	1,721,471,241
	(II) Total comprehensive income attributable to minority shareholders		**55,434,736**	110,257,353
VIII.	Earnings per share:			
	(I) Basic earnings per share (Yuan/share)	XX. 2	**1.25**	1.21
	(II) Diluted earnings per share (Yuan/share)	XX. 2	**1.25**	1.21

Section VIII Financial Report

For business combinations under common control occurring in the current period, the net profit realized by the merged party before the combination was: 0 Yuan, and the net profit realized by the merged party in the prior period was: 0 Yuan.

Leagl representative:	Chief Financial Officer:	Head of accounting department:
Li Donglin	**Sun Shan**	**Yuan Feng**

Section VIII Financial Report

Income statement of the parent company

From January–June 2026

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

Unit: Yuan Currency: RMB

Item		Notes	Semi-annual 2026	Semi-annual 2025
I.	Operating revenue	XIX. 4	**7,154,676,118**	6,356,127,075
	Less: operating cost	XIX. 4	**4,934,734,493**	4,460,490,359
	Taxes and surcharges		**28,413,266**	45,382,508
	Selling expenses		**100,743,246**	84,673,912
	Administrative expenses		**271,804,027**	226,263,081
	R&D expenses		**572,279,835**	478,664,277
	Financial expenses		**-73,502,565**	-149,619,025
	Including: interest expense		**31,717,980**	36,370,720
	Interest income		**149,565,193**	152,352,920
	Add: other income		**22,494,426**	51,825,384
	Investment income (losses denoted by "-")	XIX. 5	**571,498,897**	348,648,638
	Including: Gains from investments in associates and joint ventures(losses denoted by "-")		**-648,756**	414,265
	Gains from derecognition of financial assets measured at amortised cost		**–**	–
	Gains from changes in fair value (losses to be indicated by "-")		**1,295,808**	8,109,370
	Credit impairment losses (losses to be indicated by "-")		**-135,052,816**	-74,307,065
	Asset impairment losses (losses to be indicated by "-")		**-42,428,257**	205,189
	Gains on disposal of assets (losses to be indicated by "-")		**-2,931,364**	-596,679
II.	Operating profit (losses are indicated by "-")		**1,735,080,510**	1,544,156,800
	Add: non-operating income		**14,052,157**	11,964,021
	Less: non-operating expenses		**3,159,517**	3,270,458
III.	Total profit (losses to be indicated by "-")		**1,745,973,150**	1,552,850,363
	Less: income tax expense		**193,488,704**	229,711,396
IV.	Net profit (net losses indicated by "-")		**1,552,484,446**	1,323,138,967
	(I) Net profit from continuing operations (net losses indicated by "-")		**1,552,484,446**	1,323,138,967
	(II) Net profit from discontinued operations (net losses indicated by "-")		**–**	–

Item		Notes	Semi-annual 2026	Semi-annual 2025
V.	Other comprehensive income, net of tax		**18,380,433**	17,918,083
	(I) Other comprehensive income that cannot be reclassified to profit or loss		**–**	–
	(II) Other comprehensive income that will be reclassified to profit or loss		**18,380,433**	17,918,083
	1. Changes in fair value of other debt investments		**19,196,638**	16,039,374
	2. Exchange differences on translation of foreign currency financial statements		**-816,205**	1,878,709
VI.	Total comprehensive income		**1,570,864,879**	1,341,057,050

Leagl representative: **Li Donglin**

Chief Financial Officer: **Sun Shan**

Head of accounting department: **Yuan Feng**

Section VIII Financial Report

Consolidated cash flow statement

From January–June 2026

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

Unit: Yuan Currency: RMB

Item		Notes	Semi-annual 2026	Semi-annual 2025
I.	**Cash flows from operating activities:**			
	Cash received from sale of goods and rendering of services		**15,384,636,939**	10,630,741,627
	Tax refunds received	VII.58	**111,935,313**	150,591,855
	Receipt of other cash relating to operating activities		**137,950,003**	243,563,644
	Subtotal of cash inflows from operating activities		**15,634,522,255**	11,024,897,126
	Cash paid for purchases of goods and services		**11,214,978,781**	6,127,542,690
	Cash paid to and on behalf of employees		**1,483,441,789**	1,422,180,384
	Taxes and surcharges paid	VII.58	**702,598,156**	960,303,210
	Payment of other cash relating to operating activities	VII.59	**752,220,715**	635,454,469
	Subtotal of cash outflows from operating activities		**14,153,239,441**	9,145,480,753
	Net cash flow from operating activities		**1,481,282,814**	1,879,416,373
II.	**Cash flows from investing activities:**			
	Cash received from recovery of investments		**5,785,946,200**	7,212,520,000
	Cash received from investment income		**149,464,380**	230,709,843
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**1,275,414**	240,945
	Subtotal of cash inflows from investing activities		**5,936,685,994**	7,443,470,788
	Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets		**1,171,728,860**	1,705,160,934
	Cash paid for investments		**5,362,063,537**	10,861,680,000
	Subtotal of cash outflows from investing activities		**6,533,792,397**	12,566,840,934
	Net cash flow from investing activities		**-597,106,403**	-5,123,370,146

Section VIII Financial Report

Item		Notes	Semi-annual 2026	Semi-annual 2025
III.	**Cash flows from financing activities:**			
	Cash received from capital contributions		–	24,670,000
	Including: cash received by subsidiaries from investments by minority shareholders		–	24,670,000
	Cash received from borrowings		77,548,402	18,240,216
	Receipt of other cash relating to financing activities		3,301,219	1,190,217,356
	Subtotal of cash inflows from financing activities		80,849,621	1,233,127,572
	Cash paid for repayment of debts		7,816,100	9,939,765
	Cash paid for distribution of dividends or profits or for payment of interest		25,522,740	18,090,586
	Including: dividends and profits paid by subsidiaries to minority shareholders		11,405,000	14,000,000
	Payment of other cash relating to financing activities		1,219,432,743	72,947,683
	Subtotal of cash outflows from financing activities		1,252,771,583	100,978,034
	Net cash flow from financing activities		-1,171,921,962	1,132,149,538
IV.	**Effect of exchange rate changes on cash and cash equivalents**		-26,675,744	-872,182
V.	**Net increase in cash and cash equivalents**		-314,421,295	-2,112,676,417
	Add: opening balance of cash and cash equivalents		4,389,571,295	7,637,572,817
VI.	**Closing balance of cash and cash equivalents**		4,075,150,000	5,524,896,400

Leagl representative: **Li Donglin**

Chief Financial Officer: **Sun Shan**

Head of accounting department: **Yuan Feng**

Cash flow statement of the parent company

From January–June 2026

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

Unit: Yuan Currency: RMB

Item		Notes	Semi-annual 2026	Semi-annual 2025
I.	**Cash flows from operating activities:**			
	Cash received from sale of goods and rendering of services		8,826,665,197	4,376,753,909
	Tax refunds received		92,476,789	80,799,006
	Receipt of other cash relating to operating activities		58,778,135	58,562,791
	Subtotal of cash inflows from operating activities		8,977,920,121	4,516,115,706
	Cash paid for purchases of goods and services		6,738,808,076	2,993,446,712
	Cash paid to and on behalf of employees		699,274,618	563,238,698
	Taxes and surcharges paid		318,347,177	292,017,973
	Payment of other cash relating to operating activities		529,049,451	411,010,932
	Subtotal of cash outflows from operating activities		8,285,479,322	4,259,714,315
	Net cash flow from operating activities		692,440,799	256,401,391
II.	**Cash flows from investing activities:**			
	Cash received from recovery of investments		5,759,246,700	7,425,951,655
	Cash received from investment income		1,005,310,555	528,298,653
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		88,531	32,501
	Subtotal of cash inflows from investing activities		6,764,645,786	7,954,282,809
	Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets		283,565,385	447,824,873
	Cash paid for investments		6,190,213,437	11,916,980,060
	Subtotal of cash outflows from investing activities		6,473,778,822	12,364,804,933
	Net cash flow from investing activities		290,866,964	-4,410,522,124

Item		Notes	Semi-annual 2026	Semi-annual 2025
III.	**Cash flows from financing activities:**			
	Cash received from capital contributions		–	–
	Cash received from borrowings		–	–
	Receipt of other cash relating to financing activities		3,000,000	1,189,030,717
	Subtotal of cash inflows from financing activities		3,000,000	1,189,030,717
	Cash paid for repayment of debts		7,816,100	9,939,765
	Cash paid for distribution of dividends or profits or for payment of interest		28,473,424	55,085,502
	Payment of other cash relating to financing activities		1,391,959,122	252,216,051
	Subtotal of cash outflows from financing activities		1,428,248,646	317,241,318
	Net cash flow from financing activities		-1,425,248,646	871,789,399
IV.	**Effect of exchange rate changes on cash and cash equivalents**		-14,948,057	-7,384,949
V.	**Net increase in cash and cash equivalents**		-456,888,940	-3,289,716,283
	Add: opening balance of cash and cash equivalents		2,905,191,395	5,948,168,416
VI.	**Closing balance of cash and cash equivalents**		2,448,302,455	2,658,452,133

Leagl representative: **Li Donglin**

Chief Financial Officer: **Sun Shan**

Head of accounting department: **Yuan Feng**

Section VIII Financial Report

Consolidated statement of changes in owners' equity

From January–June 2026

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

Unit: Yuan Currency: RMB

Item	From January–June 2026 Equity attributable to owners of the parent company Paid-in capital (or share capital)	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal	Minority interests	Total owners' equity
I. Balance at the end of the prior year	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
II. Opening balance of the current year	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
III. Amount of increase/decrease for the current period (decrease indicated by "-")	-10,245,600	-310,731,665	576,505,717	-7,765,303	16,737,497	-	807,419,057	-81,091,731	57,019,642	-24,072,089
(I) Total comprehensive income	-	-	-	-7,765,303	-	-	1,712,297,377	1,704,532,074	55,434,736	1,759,966,810
(II) Capital contributed and reduced by owners	-10,245,600	-310,731,665	576,505,717	-	-	-	-	-897,482,982	-1,300,000	-898,782,982
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-	-	-	-
2. Repurchase of shares	-	-	896,719,451	-	-	-	-	-896,719,451	-	-896,719,451
3. Cancellation of shares	-10,245,600	-309,968,134	-320,213,734	-	-	-	-	-	-	-
4. Others	-	-763,531	-	-	-	-	-	-763,531	-1,300,000	-2,063,531
(III) Profit distribution	-	-	-	-	-	-	-904,878,320	-904,878,320	-	-904,878,320
1. Appropriation of surplus reserves	-	-	-	-	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-904,878,320	-904,878,320	-	-904,878,320
(IV) Special reserve	-	-	-	-	16,737,497	-	-	16,737,497	2,884,906	19,622,403
1. Accrued in the current period	-	-	-	-	21,236,066	-	-	21,236,066	3,365,093	24,601,159
2. Used in the current period	-	-	-	-	-4,498,569	-	-	-4,498,569	-480,187	-4,978,756
(V) Others	-	-	-	-	-	-	-	-	-	-
IV. Closing balance of the current period	1,347,702,812	11,090,722,656	576,505,717	-210,493,935	171,680,634	3,852,572,724	26,730,092,527	42,405,771,701	3,494,938,532	45,900,710,233

Section VIII Financial Report

Consolidated statement of changes in owners' equity

From January–June 2025

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

Unit: Yuan Currency: RMB

Item	From January–June 2025 Equity attributable to owners of the parent company Paid-in capital (or share capital)	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Retained earnings	Subtotal	Total owners' equity
I. Balance at the end of the prior 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. Amount of increase/decrease for the current period (decrease indicated by "-")	-48,704,400	-1,335,000,644	124,242,646	49,969,387	20,855,119	-	313,553,442	-875,084,450	116,616,512	-758,467,938
(I) Total comprehensive income	-	-	-	49,969,387	-	-	1,671,501,854	1,721,471,241	110,257,353	1,831,728,594
(II) Capital contributed and reduced by owners	-48,704,400	-1,335,000,644	124,242,646	-	-	-	-	-1,259,462,398	17,729,425	-1,241,732,973
1. Ordinary shares contributed by owners	-	6,940,575	-	-	-	-	-	6,940,575	17,729,425	24,670,000
2. Repurchase of shares	-	-	-1,266,402,973	-	-	-	-	-1,266,402,973	-	-1,266,402,973
3. Cancellation of shares	-48,704,400	-1,341,941,219	1,390,645,619	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-1,357,948,412	-1,357,948,412	-14,055,000	-1,372,003,412
1. Appropriation of surplus reserves	-	-	-	-	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-1,357,948,412	-1,357,948,412	-14,055,000	-1,372,003,412
(IV) Special reserve	-	-	-	-	20,855,119	-	-	20,855,119	2,684,734	23,539,853
1. Accrued in the current period	-	-	-	-	27,542,405	-	-	27,542,405	3,166,995	30,709,400
2. Used in the current period	-	-	-	-	-6,687,286	-	-	-6,687,286	-482,261	-7,169,547
(V) Others	-	-	-	-	-	-	-	-	-	-
IV. Closing balance of the current period	1,357,948,412	11,395,964,676	-	-190,640,897	141,697,953	3,530,286,607	24,417,418,321	40,652,675,072	3,351,274,798	44,003,949,870

Leagl representative: **Li Donglin**

Chief Financial Officer: **Sun Shan**

Head of accounting department: **Yuan Feng**

Section VIII Financial Report

Statement of changes in owners' equity of the parent company

From January–June 2026

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

Unit: Yuan Currency: RMB

Item	From January–June 2026							
	Paid-in capital (or share capital)	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total owners' equity
I. Balance at the end of the prior year	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
II. Opening balance of the current year	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
III. Amount of increase/decrease for the current period (decrease indicated by "-")	-10,245,600	-309,968,134	576,505,717	18,380,433	7,221,649	-	647,606,126	-223,511,243
(I) Total comprehensive income	-	-	-	18,380,433	-	-	1,552,484,446	1,570,864,879
(II) Capital contributed and reduced by owners	-10,245,600	-309,968,134	576,505,717	-	-	-	-	-896,719,451
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-	-
2. Repurchase of shares	-	-	896,719,451	-	-	-	-	-896,719,451
3. Cancellation of shares	-10,245,600	-309,968,134	-320,213,734	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-904,878,320	-904,878,320
1. Appropriation of surplus reserves	-	-	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-904,878,320	-904,878,320
(IV) Special reserve	-	-	-	-	7,221,649	-	-	7,221,649
1. Accrued in the current period	-	-	-	-	8,689,774	-	-	8,689,774
2. Used in the current period	-	-	-	-	-1,468,125	-	-	-1,468,125
(V) Others	-	-	-	-	-	-	-	-
IV. Closing balance of the current period	1,347,702,812	8,634,408,451	576,505,717	-164,964	40,909,959	3,852,572,724	24,778,703,919	38,077,627,184

Section VIII Financial Report

Statement of changes in owners' equity of the parent company

From January–June 2025

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

Unit: Yuan Currency: RMB

Item	From January–June 2025							
	Paid-in capital (or share capital)	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total owners' equity
I. Balance at the end of the prior 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. Amount of increase/decrease for the current period (decrease indicated by "-")	-48,704,400	-1,341,941,219	124,242,646	17,918,083	4,255,591	–	-34,809,445	-1,279,038,744
(I) Total comprehensive income	–	–	–	17,918,083	–	–	1,323,138,967	1,341,057,050
(II) Capital contributed and reduced by owners	-48,704,400	-1,341,941,219	124,242,646	–	–	–	–	-1,266,402,973
1. Ordinary shares contributed by owners	–	–	–	–	–	–	–	–
2. Repurchase of shares	–	–	-1,266,402,973	–	–	–	–	-1,266,402,973
3. Cancellation of shares	-48,704,400	-1,341,941,219	1,390,645,619	–	–	–	–	–
(III) Profit distribution	–	–	–	–	–	–	-1,357,948,412	-1,357,948,412
1. Appropriation of surplus reserves	–	–	–	–	–	–	–	–
2. Distributions to owners (or shareholders)	–	–	–	–	–	–	-1,357,948,412	-1,357,948,412
3. Others		–	–	–			–	–
(IV) Special reserve	–	–	–	–	4,255,591	–	–	4,255,591
1. Accrued in the current period	–	–	–	–	7,515,289	–	–	7,515,289
2. Used in the current period	–	–	–	–	3,259,698	–	–	3,259,698
(V) Others	–	–	–	–	–	–	–	–
IV. Closing balance of the current period	1,357,948,412	8,946,669,468	–	-25,921,145	27,288,108	3,530,286,607	23,185,968,452	36,987,430,457

Leagl representative: **Li Donglin**

Chief Financial Officer: **Sun Shan**

Head of accounting department: **Yuan Feng**

III. BASIC INFORMATION OF THE COMPANY

1. Company profile

✔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.

During the six months ended June 30, 2026, the Company conducted a series of repurchases and cancellations of H shares on the Hong Kong Stock Exchange, repurchasing a cumulative total of 27,245,000 H shares and cancelling 10,245,600 H shares.

The Company is headquartered at Times Road, Shifeng District, Zhuzhou City, Hunan Province. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are mainly engaged in the R&D, design, manufacturing and sales of rail transit equipment products and emerging equipment products, as well as the provision of related services. The products mainly include rail transit electrical equipment centered on rail transit traction converter systems, railway engineering machinery, communication signal systems, power semiconductor devices, industrial converter products, EV electric drive systems, sensor devices and marine engineering equipment.

III. BASIC INFORMATION OF THE COMPANY (continued)

2. Scope of the consolidated financial statements

The consolidated financial statements of the Company and its parent company's financial statements have been approved by the board of directors on 19 August 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 THE 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 (th "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 has evaluated its ability to continue as a going concern for the 12 months from June 30, 2026, and has not identified any events or circumstances that cast significant doubt on its ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

IV. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

3. Basis of accounting and measurement principle

✔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.

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.

Section VIII Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES

Notes on 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 Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect relevant information such as the financial position, operating results, changes in shareholders' equity and cash flows of the Company.

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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

5. Method for determining 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 aged over 1 year	Amount greater than or equal to RMB 20 million
Significant contract liabilities aged over 1 year	Amount greater than or equal to RMB 10 million
Significant other payables aged over 1 year	Amount greater than or equal to RMB 10 million

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

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

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

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

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

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

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

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

7. Basis for preparation of consolidated financial statements

✔Applicable ☐Not applicable

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

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

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

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

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

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

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

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

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

✔Applicable ☐Not applicable

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

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

9. Recognition criteria of cash and cash equivalent

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

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

✔Applicable ☐Not applicable

(1) Transactions denominated in foreign currencies

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

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

(a) Financial assets measured at amortized cost

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

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

- For purchased or originated credit-impaired financial assets, the Group recognises their interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.

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

(b) Financial assets at FVTOCI

Except that gains or losses on impairment relating to financial assets at fair value through other comprehensive income, interest income calculated using effective interest rate and exchange gains or losses are recognised in profit or loss for the period, changes in fair value in the above financial assets are included in other comprehensive income.

The amount of the financial assets included into profit or loss of each period shall be regarded as equal as the amount measured at amortised cost through profit or loss over each period. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and reclassified into profit or loss for the period.

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

(c) Financial assets classified as at FVTPL

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments

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

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

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

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

(a) Significant increase in credit risk

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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

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

(a) Significant increase in credit risk (continued)

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

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

At the balance sheet date, if the Group judges that the financial instruments solely are exposed to 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(b) Credit-impaired financial assets

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

- Significant financial difficulties of the issuer or debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the financial asset because of financial difficulties of the issuer or debtor.

(c) Recognition of expected credit losses

The Group classifies financial instruments into different groups based on common risk characteristics. Shared credit risk characteristics include type of financial instruments, type of debtors, industry of debtors, initial recognition date, and contract collection term etc.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(c) Recognition of expected credit losses (continued)

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

- For a financial asset, credit loss is the present value of difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.

- For a lease receivable, credit loss is the present value of difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.

- For undrawn loan commitments, the credit loss is the present value of the difference between the contract cash flow to be received by the Group and the expected cash flow, under the condition that the loan commitment holder withdraws the corresponding loans. The Group's estimate of the expected credit loss on the loan commitment is consistent with the expected withdrawal of the loan commitment.

- For a financial guarantee contract, credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

- For credit-impaired financial assets other than the purchased or originated credit-impaired financial assets at the balance sheet date, credit loss is difference between the carrying amount of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

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

(c) Recognition of expected credit losses (continued)

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

(I) Judgement criteria for receivables for which credit loss allowance is provided on a combined basis

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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

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

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

(I) Financial liabilities at FVTPL

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

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

- The purpose for undertaking relevant financial liabilities is mainly for recent repurchase;

- The relevant financial liabilities are part of the centrally managed identifiable financial instrument portfolio at initial recognition, and there is objective evidence that there is a short-term profits presence in the near future;

- Related financial liabilities are derivatives, except for derivatives that meet the definition of a financial guarantee contract and that are designated as effective hedging instruments.

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

(II) Other financial liabilities

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

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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. Other receivables

☐Applicable ✔Not applicable

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

16. Inventories

✔Applicable ☐Not applicable

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.

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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

16. Inventories (continued)

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

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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

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

Recognition criteria and presentation of discontinued operations:

☐Applicable ✔Not applicable

19. Long-term equity investments

✔Applicable ☐Not applicable

(1) Determination criteria of joint control and significant influence

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

(2) Determination of initial investment cost

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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 remuneration

(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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

26. Employee remuneration (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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

28. Revenue

(1) Accounting policy adopted 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

28. Revenue (continued)

(1) Accounting policy adopted 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

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

29. Contract costs

✔Applicable ☐Not applicable

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

Costs of obtaining the contract

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

Costs to fulfil a contract

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

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

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

30. Government grants

✔Applicable ☐Not applicable

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

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

30. Government grants (continued)

Determination basis and accounting treatment of government grants related to assets

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

Determination basis and accounting treatment of government grants related to income

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

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

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

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

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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 shorts-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

(1) Separating components of a lease

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

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

31. Leases (continued)

Criteria for classification and accounting treatment of leases as lessors:

✔Applicable ☐Not applicable

(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.29 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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS 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.

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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

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

(3) Income tax offsetting

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

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.

V. SIGNIFICANT ACCOUNTING POLICIES ANS ACCOUNTING ESTIMATES (continued)

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.

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 and Notes XVII.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 V.20 – Recognition of deferred tax assets;

(3) Note V.36 – 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. Other

☐Applicable ✔Not applicable

VI. TAXATION

1. categories of taxes and respective tax rates

Major categories of taxes and respective tax rates

✔Applicable ☐Not applicable

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

Where there are taxpaying entities subject to different enterprise income tax rates, disclosure of the relevant details

✔Applicable ☐Not applicable

Name of taxpayer	Income tax rate (%)
SMD, LTD ("SMD")	25.00
Dynex Power Inc. ("Dynex Canada")	26.50

2. Tax incentives

✔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%.

VI. TAXATION (continued)

2. Tax incentives (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"), Hunan CRRC Times Electric Drive Technology Co., Ltd. ("Hunan CRRC Electric Drive") Wuxi CRRC Times Electric Drive Technology Co., Ltd. ("Wuxi CRRC Electric Drive") FAW CRRC Electric Drive System Co., Ltd. ("FAW CRRC Electric Drive") are allowed to deduct extra 5% of the deductible input tax in the current period from the VAT payable from 1 January 2023 to 31 December 2027. Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on the Weighted Deduction Policy for Value-added Tax on Integrated Circuit Enterprises (Announcement No.17 [2023] of the Ministry of Finance and the State Taxation Administration), Zhuzhou CRRC Times Semiconductor Co., Ltd. (Hereinafter referred to as "CRRC Times Semiconductor"), a subsidiary of the Company, is allowed to deduct extra 15% of the deductible input tax in the current period from the VAT payable from 1 January 2023 to 31 December 2027.

(2) Enterprise income tax

The Group's main preferential enterprise income tax treatments are as follows:

In accordance with Article 28 of the Enterprise Income Tax Law of the People's Republic of China, high and new technology enterprises that the State needs to support with priority are subject to enterprise income tax at a reduced rate of 15%. The Company and its subsidiaries CRRC Times Software, CRRC Times Electronic, Ningbo CRRC Electric, Ningbo CRRC Times, CRRC National Converter Center, Hunan CRRC Communication & Signal, Baoji CRRC Times, Taiyuan CRRC Times, Qingdao CRRC Electric, Shanghai CRRC SMD, Chongqing CRRC Electric, CRRC Times Semiconductor obtained the High and New Technology Enterprise certificate approved by the tax authority in October 2023, and has paid enterprise income tax at a rate of 15% since 2024. Hunan CRRC Electric Drive, Wuxi CRRC Electric Drive and FAW CRRC Electric Drive obtained high and new technology enterprise certificates approved by the relevant tax authorities during 2023 to 2025, and pay enterprise income tax at the reduced rate of 15% in both 2025 and 2026.

VI. TAXATION (continued)

2. Tax incentives (continued)

(2) Enterprise income tax *(continued)*

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 the Further Implementation of the Western 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 the Continuation of the Enterprise Income Tax Policy for the Western Development (Cai Shui [2020] No. 23), Kunming CRRC Times Electric Equipment Co., Ltd. (hereinafter referred to as "Kunming CRRC Electric") satisfies the relevant provisions of the preferential enterprise income tax policy for the Western Development, and is subject to an enterprise income tax rate of 15% for both 2025 and 2026. The Group expects that the aforementioned companies will continue to be subject to the preferential corporate income tax rate of 15% in 2026.

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 Policy of Pre-tax Super-deduction of Research and Development Expenses (Cai Shui [2015] No. 119), the Announcement of the Ministry of Finance and the State Taxation Administration on Further Improving the Policy of Pre-tax Super-deduction of R&D Expenses (Announcement No. 7 of 2023 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 Pre-tax Deduction Support for Scientific and Technological Innovation (Announcement No. 28 of 2022), and the Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission and the Ministry of Industry and Information Technology on Raising the Super-deduction Ratio of R&D Expenses for Integrated Circuit Enterprises and Industrial Mother Machine Enterprises (Announcement No. 44 of 2023), for R&D expenses actually incurred by the Company and its subsidiaries Times Electronic, Baoji CRRC Times, Ningbo CRRC Times, Ningbo CRRC Electric, Qingdao CRRC Electric, Hunan CRRC Communication & Signal, CRRC National Converter Center, Shanghai CRRC SMD, Chongqing CRRC Electric, Taiyuan CRRC Times, Shenyang CRRC Times Transportation Equipment Co., Ltd. (hereinafter referred to as "Shenyang CRRC Times"), CRRC Times Software and Hunan CRRC Electric Drive, Wuxi Electric Drive in carrying out R&D activities, where such expenses have not formed intangible assets and are included in profit or loss for the current period, an additional 100% of the actual amount incurred is deducted before tax in 2025 and 2026 on top of the deduction of the actual amount as prescribed; where such expenses have formed intangible assets, they are amortized before tax at 200% of the cost of the intangible assets in 2025 and 2026. For R&D expenses actually incurred by CRRC Times Semiconductor and Yixing Semiconductor in carrying out R&D activities, where such expenses have not formed intangible assets and are included in profit or loss for the current period, an additional 120% of the actual amount incurred is deducted before tax during the period from January 1, 2023 to December 31, 2027, on top of the deduction of the actual amount as prescribed; where such expenses have formed intangible assets, they are amortized before tax at 220% of the cost of the intangible assets during the above period.

3. Other

☐Applicable ✔Not applicable

VII. NOTES TO 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	**18,567**	18,778
Bank deposits	**4,194,536,357**	5,800,504,894
Other monetary funds	**804,915,294**	898,651,427
Cash deposited in the finance company	**15,567,385**	14,687,473
Total	**5,015,037,603**	6,713,862,572
Including: Total funds deposited overseas	**495,866,402**	301,107,651

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	**5,010,306**	–
Project supervision funds	**142,867,432**	446,529,211
Security deposits of the bank acceptances	**426,280,042**	451,936,433
Equity repurchase securities account funds	**230,757,514**	185,783
Total	**804,915,294**	898,651,427

VII. NOTES TO 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	134,972,309	1,425,639,849

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	1,500,562,247	1,000,300,274	/
Including:			
Structured deposits	1,500,562,247	1,000,300,274	/
Total	1,500,562,247	1,000,300,274	/

Other explanations:

☐Applicable ✔Not applicable

VII. NOTES TO 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 acceptance	482,089,127	744,695,576
Commercial acceptance	2,206,465,361	4,057,215,968
Acceptance bill of CRRC Finance Co., Ltd	1,042,525	497,343,105
Less: provision for credit losses	2,229,999	4,989,418
Total	2,687,367,014	5,294,265,231

(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 derecognized at end of period	Amount not derecognized at end of period
Bank acceptance notes	–	1,511,756
Commercial acceptance bills	–	21,115,365
Total	–	22,627,121

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.

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

3. Bills receivable (continued)

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

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance			Gross carrying amount		Credit loss allowance		
	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value
Provision on portfolio basis	2,689,597,013	100.00	2,229,999	0.08	2,687,367,014	5,299,254,649	100.00	4,989,418	0.09	5,294,265,231
Including:										
Commercial acceptances	2,206,465,361	82.04	2,222,999	0.10	2,204,235,362	4,057,215,968	76.56	4,989,418	0.12	4,052,226,550
Bank acceptances	482,089,127	17.92	-	-	482,089,127	744,695,576	14.05	-	-	744,695,576
Acceptance bill of CRRC Finance Co., Ltd	1,042,525	0.04	-	-	1,042,525	497,343,105	9.39	-	-	497,343,105
Total	2,689,597,013	100.00	2,229,999	0.08	2,687,367,014	5,299,254,649	100.00	4,989,418	0.09	5,294,265,231

Bank acceptance bills

As of June 30, 2026, 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 acceptance bills

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.

Bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Bad debt provision made on a portfolio basis:

✔Applicable ☐Not applicable

VII. NOTES TO 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 acceptance bills (continued)

Items provided on a portfolio basis:

Unit: Yuan Currency: RMB

Name	Closing balance		
	Gross carrying amount	Provision for credit loss	Expected average loss rate (%)
Bank acceptances	482,089,127	–	–
Acceptance bill of CRRC Finance Co., Ltd	1,042,525	–	–
Receivables from central state-owned enterprise except State Railway Group	2,009,898,978	2,008,124	0.10
Receivables from local government or local state-owned enterprise	2,178,730	21,787	1.00
Receivables from State Railway Group	194,087,653	194,088	0.10
Receivables from other customers	300,000	6,000	2.00
Total	2,689,597,013	2,229,999	/

Recognition criteria and description of accrual provision for credit loss

☐Applicable ✔Not applicable

If the provision for credit loss is accrued according to the general model, please refer to the Note of Other Receivable.

☐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

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

3. Bills receivable (continued)

(5) Provision for credit loss of bills receivable

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change amount in the current period				Closing balance
		Provision	Recoveries or reversals	Transfers out or written-off	Other changes	
Commercial acceptances	4,989,418	2,007,428	4,766,847	–	–	**2,229,999**
Total	4,989,418	2,007,428	4,766,847	–	–	**2,229,999**

Significant recoveries or reversals during the period:

☐Applicable ✔Not applicable

Other explanations:

None

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

3. Bills receivable (continued)

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

☐Applicable ✔Not applicable

Including significant write-offs of notes receivable:

☐Applicable ✔Not applicable

Description of write-off of notes receivable:

☐Applicable ✔Not applicable

Other explanations:

✔Applicable ☐Not applicable

As of June 30, 2026, for amounts due from related parties of the Group included in the balance of notes receivable, see Note XIV. 6.

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

4. Accounts receivable

(1) Disclosed by ageing

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	14,028,646,459	11,671,079,582
Among them: Sub-items within 1 year		
Within 6 months	11,169,342,709	10,769,068,474
6 months to 1 year	2,859,303,750	902,011,108
1 to 2 years	1,042,652,138	928,713,858
2 to 3 years	458,608,202	376,299,570
Over 3 years	335,793,849	416,804,391
Total	15,865,700,648	13,392,897,401
Less: credit impairment losses	1,290,419,566	1,135,454,561
Book Value	14,575,281,082	12,257,442,840

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

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

4. Accounts receivable (continued)

(2) Disclosure by method of bad debt provision

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance			Gross carrying amount		Credit loss allowance		
	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value
Provision on individual basis	230,457,985	1.45	230,457,985	100.00	-	231,932,540	1.73	231,932,540	100.00	-
Provision on portfolio basis	15,635,242,663	98.55	1,059,961,581	6.78	14,575,281,082	13,160,964,861	98.27	903,522,021	6.87	12,257,442,840
Including:										
Receivables from central state-owned enterprise except State Railway Group	9,107,065,231	57.40	300,005,663	3.29	8,807,059,568	6,684,582,962	49.91	204,599,321	3.06	6,479,983,641
Receivables from local government or local state-owned enterprise	2,871,016,243	18.10	612,726,123	21.34	2,258,290,120	2,316,960,558	17.30	542,717,288	23.42	1,774,243,270
Receivables from State Railway Group	1,023,330,731	6.45	5,746,696	0.56	1,017,584,035	1,474,085,721	11.01	7,153,931	0.49	1,466,931,790
Receivables from other customers	2,633,830,458	16.60	141,483,099	5.37	2,492,347,359	2,685,335,620	20.05	149,051,481	5.55	2,536,284,139
Total	15,865,700,648	100.00	1,290,419,566	/	14,575,281,082	13,392,897,401	100.00	1,135,454,561	/	12,257,442,840

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

4. Accounts receivable (continued)

(2) Disclosure by method of bad debt provision (continued)

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

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Entity	Closing balance Gross carrying amount	Provision for credit loss	Proportion of provision (%)	Reason for provision
Customer 121496	123,462,738	123,462,738	100.00	Low probability of recovery
Customer 122644	26,866,792	26,866,792	100.00	Low probability of recovery
Customer 124285	16,035,328	16,035,328	100.00	Low probability of recovery
Customer 123950	10,648,800	10,648,800	100.00	Low probability of recovery
Others	53,444,327	53,444,327	100.00	Low probability of recovery
Total	230,457,985	230,457,985	100.00	/

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

☐Applicable ✔Not applicable

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

✔Applicable ☐Not applicable

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

4. Accounts receivable (continued)

***(2) Disclosure by method of bad debt provision** (continued)*

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

Unit: Yuan Currency: RMB

Name	Closing balance Accounts receivable	Provision for credit loss	Provision ratio (%)
Within 6 months	7,005,291,419	135,232,706	1.93
6 months to 1 year	1,484,916,108	43,657,226	2.94
1 to 2 years	373,967,658	28,574,683	7.64
2 to 3 years	142,093,893	31,612,513	22.25
Over 3 years	100,796,153	60,928,535	60.45
Total	9,107,065,231	300,005,663	/

Explanation of bad debt provision made on a portfolio basis:

☐Applicable ✔Not applicable

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

4. Accounts receivable (continued)

(2) Disclosure by method of bad debt provision *(continued)*

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

Unit: Yuan Currency: RMB

Name	Closing balance Accounts receivable	 Provision for credit loss	 Provision ratio (%)
Within 6 months	1,499,619,165	172,209,885	11.48
6 months to 1 year	484,440,950	91,990,527	18.99
1 to 2 years	465,352,026	137,366,292	29.52
2 to 3 years	269,470,539	121,266,095	45.00
Over 3 years	152,133,563	89,893,324	59.09
Total	2,871,016,243	612,726,123	/

Recognition criteria and description of accrual provision for credit loss:

☐Applicable ✔Not applicable

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

4. Accounts receivable (continued)

***(2) Disclosure by method of bad debt provision** (continued)*

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

Unit: Yuan Currency: RMB

Name	Closing balance Accounts receivable	Provision for credit loss	Provision ratio (%)
Within 6 months	716,876,758	1,661,963	0.23
6 months to 1 year	256,470,129	1,793,792	0.70
1 to 2 years	43,250,612	785,615	1.82
2 to 3 years	3,298,493	285,638	8.66
Over 3 years	3,434,739	1,219,688	35.51
Total	1,023,330,731	5,746,696	/

Recognition criteria and description of accrual provision for credit loss:

☐Applicable ✔Not applicable

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

4. Accounts receivable (continued)

(2) Disclosure by method of bad debt provision *(continued)*

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

Unit: Yuan Currency: RMB

Name	Closing balance Accounts receivable	Provision for credit loss	Provision ratio (%)
Within 6 months	1,947,555,367	71,600,349	3.68
6 months to 1 year	576,496,293	42,918,307	7.44
1 to 2 years	61,347,378	10,556,504	17.21
2 to 3 years	32,724,692	8,428,045	25.75
Over 3 years	15,706,728	7,979,894	50.81
Total	2,633,830,458	141,483,099	/

Recognition criteria and description of accrual provision for credit loss:

☐Applicable ✔Not applicable

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

4. Accounts receivable (continued)

***(2) Disclosure by method of bad debt provision** (continued)*

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

☐Applicable ✔Not applicable

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

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

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

☐Applicable ✔Not applicable

(3) Provision for credit loss of accounts receivable

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Change amount in the current period Provision	 Recovered or reversed	 Wrire-off or change-off	 Other changes	Closing balance Provision
Lifetime ECL (Not credit – impaired)	406,694,379	335,575,930	178,984,222	–	-152,148	**563,133,939**
Lifetime ECL (Credit – impaired)	728,760,182	–	1,436,835	–	-37,720	**727,285,627**
Total	1,135,454,561	335,575,930	180,421,057	–	-189,868	**1,290,419,566**

Including significant amounts of bad debt provision recovered or reversed in the current period:

☐Applicable ✔Not applicable

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

4. Accounts receivable (continued)

(4) Accounts receivable actually written off in the current period

☐Applicable ✔Not applicable

Significant accounts receivable write-offs:

☐Applicable ✔Not applicable

Description of accounts receivable write-offs:

☐Applicable ✔Not applicable

(5) Top five accounts receivable and contract assets by closing balance grouped by debtor

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of the total closing balance of accounts receivable and contract assets (%)	Closing provision for credit loss
Customer 100507	1,857,046,743	37,889,126	1,894,935,869	10.36	45,279,425
Customer 100511	1,103,104,290	2,279,857	1,105,384,147	6.04	29,185,762
Customer 100928	1,061,551,321	2,328,111	1,063,879,432	5.81	27,873,834
Customer 103233	42,112,736	378,780,717	420,893,453	2.30	88,800,567
Customer 100979	288,044,422	13,217,327	301,261,749	1.65	8,476,637
Total	4,351,859,512	434,495,138	4,786,354,650	26.16	199,616,225

The closing balance of contract assets includes those presented under "Other non-current assets."

Other explanations

None

Other explanations:

☐Applicable ✔Not applicable

VII. NOTES TO 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 Gross carrying amount	Closing balance Provision for asset loss	Closing balance Carrying amount	Opening balance Gross carrying amount	Opening balance Provision for asset loss	Opening balance Carrying amount
Contract assets related to sales contracts	2,139,778,110	239,037,485	1,900,740,625	2,059,073,141	211,843,987	1,847,229,154
Contract assets from engineering business	293,382,124	4,076,995	289,305,129	352,432,988	4,949,438	347,483,550
Less: contract assets included in other non-current assets (Note (VII) 21)	1,382,991,013	177,271,617	1,205,719,396	1,271,967,294	150,224,173	1,121,743,121
Total	1,050,169,221	65,842,863	984,326,358	1,139,538,835	66,569,252	1,072,969,583

Certain of the Group's sales contracts provide for payment in proportions at different stages. The Group recognizes revenue at the point of acceptance and handover of the goods, and rights to receive consideration that do not satisfy the criteria for an unconditional right to collect payment are recognized as contract assets, which are presented in contract assets/other non-current assets according to liquidity.

For construction contracts relating to certain marine engineering products such as deep-sea robots built by the Group, revenue is recognized based on the progress of performance. The portion exceeding the consideration for which customers have processed settlement gives rise to contract assets, as the conditions agreed in the contract for collecting the contract consideration have not yet been met, and such assets are presented in contract assets/other non-current assets according to liquidity.

When the Group obtains an unconditional right to receive the consideration, the contract asset is transferred to accounts receivable.

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

5. Contract assets (continued)

(2) Amounts of and reasons for material changes in carrying amounts during the reporting period

☐Applicable ✔Not applicable

(3) Disclosure by method of bad debt provision

☐Applicable ✔Not applicable

Bad debt provision made on an individual basis:

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance Carrying amount	Provision for bad debts	Provision ratio (%)	Reason for provision
Other customers	1,189,820	1,189,820	100	Low probability of recovery
Total	1,189,820	1,189,820	100	/

Explanation of bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Bad debt provision made on a portfolio basis:

☐Applicable ✔Not applicable

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

5. Contract assets (continued)

(3) Disclosure by method of bad debt provision (continued)

Bad debt provision made under the general model of expected credit losses

☐Applicable ✔Not applicable

Basis for classification of stages and provision ratios for bad debt provision

The Group measures the loss provision for contract assets at an amount equivalent to lifetime credit losses.

Explanation of significant changes in the book balance of contract assets for which changes in loss provisions occurred during the current period:

☐Applicable ✔Not applicable

(4) Bad debt provision made for contract assets in the current period

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Provision made in the current period	Recovered or reversed in the current period	Charged off/ written off in the current period	Other changes	Reason
Lifetime expected credit losses (not credit-impaired)	10,581,501	11,145,259	–	-162,631	/
Lifetime expected credit losses (credit-impaired)	–	–	–	–	/
Total	10,581,501	11,145,259	–	-162,631	/

Including significant amounts of bad debt provision recovered or reversed in the current period:

☐Applicable ✔Not applicable

Other explanations:

As at June 30, 2026, amounts relating to related parties of the Group included in the balance of contract assets are detailed in Note XIV. 6.

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

5. Contract assets (continued)

(5) Contract assets actually written off in the current period

☐Applicable ✔Not applicable

Including significant write-offs of contract assets

☐Applicable ✔Not applicable

Description of write-off of contract assets:

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

6. Trade receivables financing

(1) Presentation of receivables financing classifications:

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bills receivable measured at fair value	1,876,103,014	2,261,951,533
Trade receivable measured at fair value	564,874,567	1,431,402,947
Total	2,440,977,581	3,693,354,480

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

6. Trade receivables financing (continued)

(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	**2,470,003,862**	3,744,373,606
Carrying amount	**2,440,977,581**	3,693,354,480
Accumulated changes in fair value	**-29,026,281**	-51,019,126

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

☐Applicable ✔Not applicable

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

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptances	**1,848,618,881**	–
Commercial acceptances	–	–
Total	**1,848,618,881**	–

VII. NOTES TO 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

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

6. Trade receivables financing (continued)

(6) Details of bad debt provision

☐Applicable ✔Not applicable

Including significant amounts of bad debt provision recovered or reversed in the current period:

☐Applicable ✔Not applicable

Other explanations:

None

(7) Receivables financing actually written off during the period

☐Applicable ✔Not applicable

Significant accounts receivable financing written off during the period

☐Applicable ✔Not applicable

Write-off description:

☐Applicable ✔Not applicable

(8) Increases and decreases in receivables financing and changes in fair value during the current period:

☐Applicable ✔Not applicable

(9) Other explanations:

✔Applicable ☐Not applicable

On June 30, 2026, the financing balance of accounts receivable includes accounts receivable from related parties of the Group, as detailed in Note 14, 6.

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

7. Prepayments

(1) Prepayments presented by aging

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance Carrying amount	Closing balance Percentage (%)	Opening balance Carrying amount	Opening balance Percentage (%)
Within 1 year	**692,135,227**	**85.91**	685,707,002	91.51
1 to 2 years	**94,577,312**	**11.74**	50,244,215	6.71
2 to 3 years	**8,005,909**	**0.99**	3,620,078	0.48
Over 3 years	**10,964,400**	**1.36**	9,761,818	1.30
Total	**805,682,848**	**100.00**	749,333,113	100.00

Explanation of the reasons why significant prepayments aged over 1 year have not been settled in a timely manner:

None

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

7. Prepayments (continued)

(2) Top five prepayments by closing balance grouped by prepayment recipient

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Group	Closing balance	Percentage of the total closing balance of prepayments (%)
Summary of top five prepayments	Third party	242,157,984	30.06

Other explanations:

None

Other explanations

✔Applicable ☐Not applicable

As of June 30, 2026, for amounts prepaid to related parties of the Group included in the balance of prepayments, see Note XIV. 6.

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

8. Other receivables

Presentation of items

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	–	–
Dividends receivable	–	240,000
Other receivables	258,760,522	233,690,619
Total	258,760,522	233,930,619

Other explanations:

✔Applicable ☐Not applicable

As at June 30, 2026, amounts due from related parties of the Group included in the balance of other receivables are detailed in Note XIV. 6.

Interest receivable

(1) Classification of interest receivable

☐Applicable ✔Not applicable

(2) Significant overdue interest

☐Applicable ✔Not applicable

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

8. Other receivables (continued)

Interest receivable *(continued)*

(3) Disclosure by method of bad debt provision

☐Applicable ✔Not applicable

Bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Explanation of bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Bad debt provision made on a portfolio basis:

☐Applicable ✔Not applicable

Bad debt provision made under the general model of expected credit losses

☐Applicable ✔Not applicable

(4) Details of bad debt provision

☐Applicable ✔Not applicable

Including significant amounts of bad debt provision recovered or reversed in the current period:

☐Applicable ✔Not applicable

Other explanations:

None

(5) Interest receivable actually written off in the current period

☐Applicable ✔Not applicable

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

8. Other receivables (continued)

Including significant write-offs of interest receivable

☐Applicable ✔Not applicable

Write-off description:

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

Dividends receivable

(1) Dividends receivable

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Customer 125668	–	240,000
Total	–	240,000

(2) Significant dividends receivable aged over 1 year

☐Applicable ✔Not applicable

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

8. Other receivables (continued)

***Dividends receivable** (continued)*

(3) Disclosure by method of bad debt provision

☐Applicable ✔Not applicable

Bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Explanation of bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Bad debt provision made on a portfolio basis:

☐Applicable ✔Not applicable

Bad debt provision made under the general model of expected credit losses

☐Applicable ✔Not applicable

(4) Details of bad debt provision

☐Applicable ✔Not applicable

Including significant amounts of bad debt provision recovered or reversed in the current period:

☐Applicable ✔Not applicable

Other explanations:

None

(5) Dividends receivable actually written off in the current period

☐Applicable ✔Not applicable

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

8. Other receivables (continued)

Including significant write-offs of dividends receivable

☐Applicable ✔Not applicable

Write-off description:

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

Other receivables

(1) Disclosure by aging

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	**147,061,047**	122,431,494
Including: sub-items within 1 year		
Within 6 months	**114,137,555**	100,822,665
6 months to 1 year	**32,923,492**	21,608,829
1 to 2 years	**31,582,685**	26,455,895
2 to 3 years	**47,550,345**	50,610,603
Over 3 years	**48,925,358**	52,467,548
Less: Credit loss allowance for other receivables	**16,358,913**	18,274,921
Total	**258,760,522**	233,690,619

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

8. Other receivables (continued)

Other receivables *(continued)*

(2) Classification by nature of payment

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing balance	Opening balance
Guarantees and deposits	107,832,026	114,589,920
Others	167,287,409	137,375,620
Total	275,119,435	251,965,540

(3) Details of bad debt provision made

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Bad debt provision	Stage 1 Expected credit losses over the next 12 months	Stage 2 Lifetime expected credit losses (not credit-impaired)	Stage 3 Lifetime expected credit losses (credit-impaired)	Total
Balance as of January 1, 2026	17,777,530	–	497,391	18,274,921
Balance as of January 1, 2026 in the current period	–	–	–	–
– Transfer to Stage 2	–	–	–	–
– Transfer to Stage 3	–	–	–	–
– Transfer back to Phase 2	–	–	–	–
– Transfer back to Phase 1	–	–	–	–
Provision made in the current period	11,369,716	–	–	11,369,716
Reversed in the current period	13,285,724	–	–	13,285,724
Written off in the current period	–	–	–	–
Other changes	–	–	–	–
Balance as of June 30, 2026	15,861,522	–	497,391	16,358,913

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

8. Other receivables (continued)

***Other receivables** (continued)*

(3) Details of bad debt provision made (continued)

Basis for classification of stages and provision ratios for bad debt provision

None

Explanation of significant changes in the book balance of other receivables for which changes in loss provisions occurred during the current period:

☐Applicable ✔Not applicable

Basis for the amount of bad debt provision made in the current period and for assessing whether the credit risk of financial instruments has increased significantly:

☐Applicable ✔Not applicable

(4) Details of bad debt provision

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change for the current period		Closing balance
		Provision made	Recovered or reversed	
Bad debt provision for other receivables	18,274,921	11,369,716	13,285,724	**16,358,913**
Total	18,274,921	11,369,716	13,285,724	**16,358,913**

significant amounts of bad debt provision reversed or recovered in the current period:

☐Applicable ✔Not applicable

Other explanations

None

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

8. Other receivables (continued)

Other receivables *(continued)*

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

☐Applicable ✔Not applicable

significant write-offs of other receivables:

☐Applicable ✔Not applicable

Description of write-offs of other receivables:

☐Applicable ✔Not applicable

(6) Top five other receivables by closing balance grouped by debtor

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of entity	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature of the payment	Aging	Closing balance of provision for credit loss
Customer 15	31,359,084	11.40	Other	Within 1 year, 1 to 2 years and 2 to 3 years	–
Customer 129596	26,822,114	9.75	Other	2 to 3 years	6,021,588
Customer 103233	18,891,918	6.87	Guarantees and deposits	3 to 4 years	4,241,252
Customer 130148	17,994,310	6.54	Other	Within 1 year	413,202
Customer 127186	10,926,101	3.97	Other	Within 1 year and 1 to 2 years	73,899
Total	105,993,527	38.53	/	/	10,749,941

(7) Presented under other receivables due to centralized fund management

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

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

9. Inventories

(1) Classification of inventories

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Closing balance			Opening balance		
Item	Book balance	Provision for decline in value of inventories/ impairment provision for contract performance costs	Carrying amount	Book balance	Provision for decline in value of inventories/ impairment provision for contract performance costs	Carrying amount
Raw materials	2,677,733,436	111,741,136	2,565,992,300	2,115,430,684	100,761,720	2,014,668,964
Work in progress	3,063,682,977	126,556,886	2,937,126,091	2,568,187,857	131,328,255	2,436,859,602
Finished goods	4,177,929,671	40,415,728	4,137,513,943	4,189,546,847	67,246,818	4,122,300,029
Revolving materials	167,580,425	17,230,739	150,349,686	144,251,534	12,310,712	131,940,822
Total	10,086,926,509	295,944,489	9,790,982,020	9,017,416,922	311,647,505	8,705,769,417

(2) Data resources recognized as inventories

☐Applicable ✔Not applicable

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

9. Inventories (continued)

(3) Provision for decline in value of inventories and impairment provision for contract performance costs

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount of increase for the current period	Amount of decrease for the current period		Closing balance
		Provision made	Reversal or write-off	Others	
Raw materials	100,761,720	13,551,331	2,850,035	-278,120	**111,741,136**
Work in progress	131,328,255	–	8,332,798	-3,561,429	**126,556,886**
Finished goods	67,246,818	–	27,374,427	-543,337	**40,415,728**
Revolving materials	12,310,712	4,920,374	347	–	**17,230,739**
Total	311,647,505	18,471,705	38,557,607	-4,382,886	**295,944,489**

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

☐Applicable ✔Not applicable

Inventory write-down provision made on a portfolio basis

☐Applicable ✔Not applicable

Criteria for inventory write-down provisions made on a portfolio basis

☐Applicable ✔Not applicable

(4) Capitalized borrowing costs included in the closing balance of inventories and the calculation standards and basis thereof

☐Applicable ✔Not applicable

(5) Description of the amount of contract fulfilment costs amortized in the current period

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

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

10. Non-current assets due within one year

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Large-denomination certificates of deposit due within one year	854,797,727	1,012,313,011
Deposits and security deposits due within 1 year	2,076,157,534	–
Other non-current assets due within one year	88,356,777	119,772,519
Total	3,019,312,038	1,132,085,530

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

VII. NOTES TO 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	777,215,782	832,732,375
Prepayments of other taxes	12,037,183	3,658,271
Certificate of deposits	50,258,030	150,471,951
Total	839,510,995	986,862,597

Information relating to indemnification assets

☐Applicable ✔Not applicable

Other explanations:

None

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

12. Long-term equity investments

(1) Details of long-term equity investments

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Changes for the current period: Additional investment	Changes for the current period: Investment profit or loss recognized under the equity method	Changes for the current period: Cash dividends or profits declared for distribution	End of period Balance	Closing balance of impairment provision
I. Joint ventures						
Zhuzhou Shiling Transportation Equipment Co., Ltd. ("Shiling Company")	108,933,142	–	-828,637	–	108,104,505	–
Guangzhou Qinglan Semiconductor Co., Ltd. ("Qinglan Semiconductor")	115,230,459	–	-1,702,632	–	113,527,827	–
Other	22,696,226	–	-194,222	500,000	22,002,004	–
Subtotal	246,859,827	–	-2,725,491	500,000	243,634,336	–
II. Associates						
Zhixin Semiconductor Co., Ltd. ("Zhixin Semiconductor")	140,976,124	–	-3,222,683	–	137,753,441	–
Other	140,828,283	–	374,483	–	141,202,766	–
Subtotal	281,804,407	–	-2,848,200	–	278,956,207	–
Total	528,664,234	–	-5,573,691	500,000	522,590,543	–

(2) Impairment testing of long-term equity investments

☐Applicable ✔Not applicable

Other explanations

None

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

13. Investments in other equity instruments

(1) Details of investments in other equity instruments

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Changes for the current period: Additional investment	Decrease in investment	Gains recognized in other comprehensive income in the current period	Losses recognized in other comprehensive income in the current period	Other	End of period Balance	Dividend income recognized in the current period	Cumulative gains recognized in other comprehensive income	Cumulative losses recognized in other comprehensive income	Reason for being designated at FVTOCI
Xicheng CRRC (Wuxi) Urban Rail Transit Engineering Co., Ltd.	237,004,300	–	–	–	–	–	237,004,300	–	13,180,780	–	Note 1
Other	48,058,400	–	–	–	–	–	48,058,400	–	5,058,400	–	Note 1
Total	285,062,700	–	–	–	–	–	285,062,700	–	18,239,180	–	/

Note 1: The Group plans to hold the above investments for the long term for strategic purposes rather than to sell them in the near term for short-term gains, and has therefore designated the above investments as financial assets at fair value through other comprehensive income.

(2) Explanation of derecognition in the current period

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

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

14. Fixed assets

Presentation of items

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	12,482,884,708	11,394,887,172
Fixed assets pending disposal	–	–
Total	12,482,884,708	11,394,887,172

Other explanations:

None

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

14. Fixed assets (continued)

Fixed assets

(1) Details of fixed assets

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Buildings and structures	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
I. Cost					
1. Opening balance	4,199,807,351	12,125,358,579	47,247,468	1,121,552,294	17,493,965,692
2. Amount of increase for the current period	364,578,423	1,442,461,233	666,288	33,227,999	1,840,933,943
(1) Acquisition	3,817,085	212,871,606	111,504	32,597,406	249,397,601
(2) Transferred from construction in progress	360,761,338	1,229,589,627	554,784	630,593	1,591,536,342
(3) Translation differences of foreign currency financial statements	–	–	–	–	–
3. Decreases	3,754,846	97,618,911	2,120,428	10,080,437	113,574,622
(1) Disposal or retirement	507,414	77,931,376	2,115,760	9,743,882	90,298,432
(2) Transferred to construction in progress	–	–	–	–	–
(3) Translation differences of foreign currency financial statements	3,247,432	19,687,535	4,668	336,555	23,276,190
4. Closing balance	4,560,630,928	13,470,200,901	45,793,328	1,144,699,856	19,221,325,013

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

14. Fixed assets (continued)

***Fixed assets** (continued)*

(1) Details of fixed assets (continued)

Item	Buildings and structures	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
II. Accumulated depreciation					
1. Opening balance	911,268,441	4,396,174,667	35,518,685	682,776,680	6,025,738,473
2. Amount of increase for the current period	65,470,640	613,325,608	1,588,961	62,716,678	743,101,887
(1) Provision	65,470,640	613,325,608	1,588,961	62,716,678	743,101,887
(2) Translation differences of foreign currency financial statements	–	–	–	–	–
3. Decrease in the current period	967,451	90,044,337	2,024,893	10,368,738	103,405,419
(1) Disposal or retirement	–	74,061,495	2,020,226	9,486,398	85,568,119
(2) Translation differences of foreign currency financial statements	967,451	15,982,842	4,667	882,340	17,837,300
4. Closing balance	975,771,630	4,919,455,938	35,082,753	735,124,620	6,665,434,941

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

14. Fixed assets (continued)

Fixed assets *(continued)*

(1) Details of fixed assets (continued)

Item	Buildings and structures	Machinery and equipment	Transportation vehicles	Office equipment and others	Total
III. Impairment provision					
1. Opening balance	10,513,264	62,317,523	–	509,260	73,340,047
2. Amount of increase for the current period	–		–	–	
(1) Provision	–	–	–	–	–
3. Decrease in the current period	–	334,683	–	–	334,683
(1) Disposal or retirement	–	–	–	–	–
(2) Translation differences of foreign currency financial statements	–	334,683	–	–	334,683
4. Closing balance	10,513,264	61,982,840	–	509,260	73,005,364
IV. Carrying amount					
1. Closing carrying amount	3,574,346,034	8,488,762,123	10,710,575	409,065,976	12,482,884,708
2. Opening carrying amount	3,278,025,646	7,666,866,389	11,728,783	438,266,354	11,394,887,172

(2) Fixed assets temporarily idle

☐Applicable ✔Not applicable

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

14. Fixed assets (continued)

Fixed assets *(continued)*

(3) Fixed assets leased out under operating leases

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Carrying amount at end of period	Carrying amount at beginning of period
Buildings and structures	204,279,589	233,976,851
Machinery and equipment	2,132,018	3,697,188
Office equipment and others	221,158	155,631
Transportation vehicles	1,106	1,106
Total	206,633,871	237,830,776

(4) Fixed assets for which certificates of title have not been obtained

☐Applicable ✔Not applicable

(5) Impairment testing of fixed assets

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

Fixed assets pending disposal

☐Applicable ✔Not applicable

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

15. Construction in progress

Presentation of items

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	2,410,200,764	3,463,141,312
Engineering materials	–	–
Total	2,410,200,764	3,463,141,312

Other explanations:

None

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

15. Construction in progress (continued)

Construction in progress

(1) Details of construction in progress

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance Book balance	Closing balance Impairment provision	Closing balance Carrying amount	Opening balance Book balance	Opening balance Impairment provision	Opening balance Carrying amount
Medium- and low-voltage power device industrialization (Yixing) construction project	347,165,011	–	347,165,011	420,198,879	–	420,198,879
Medium- and low-voltage power device industrialization (Zhuzhou) construction project	1,549,527,765	–	1,549,527,765	2,622,842,974	–	2,622,842,974
Construction project of the EV electric drive system and components manufacturing base (Zhuzhou)	178,943,752	–	178,943,752	149,364,976	–	149,364,976
CRRC Electric Drive Zhuzhou base XM electric drive system production capacity construction project	114,505,998	–	114,505,998	79,245	–	79,245
Other	221,126,906	1,068,668	220,058,238	271,723,906	1,068,668	270,655,238
Total	2,411,269,432	1,068,668	2,410,200,764	3,464,209,980	1,068,668	3,463,141,312

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

15. Construction in progress (continued)

***Construction in progress** (continued)*

(2) Changes in significant construction in progress projects during the current period

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Project name	Budget amount	Beginning of period Balance	Amount of increase for the current period	Amount transferred to fixed assets in the current period	Amount transferred to intangible assets in the current period	End of period Balance	Accumulated project investment as a percentage of budget (%)	Source of funds
Medium- and low-voltage power device industrialization (Yixing) construction project	6,771,830,000	420,198,879	108,667,353	152,170,546	29,530,675	347,165,011	93	Borrowings and self-raised funds
Medium- and low-voltage power device industrialization (Zhuzhou) construction project	5,292,860,000	2,622,842,974	292,446,108	1,365,761,317	–	1,549,527,765	55	Self-raised
Construction project of the EV electric drive system and components manufacturing base (Zhuzhou)	1,107,990,000	149,364,976	44,630,084	15,051,308	–	178,943,752	90	Self-raised
CRRC Electric Drive Zhuzhou base XM electric drive system production capacity construction project	192,552,547	79,245	114,426,753	–	–	114,505,998	59	Raised funds and self-raised funds
Total	13,365,232,547	3,192,486,074	560,170,298	1,532,983,171	29,530,675	2,190,142,526	/	/

(3) Impairment provision made for construction in progress in the current period

☐Applicable ✔Not applicable

(4) Impairment testing of construction in progress

☐Applicable ✔Not applicable

Other explanations

☐Applicable ✔Not applicable

Engineering materials

☐Applicable ✔Not applicable

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

16. Right-of-use assets

(1) Information on right-of-use assets

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights (Note 1)	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment and others	Total
I. Cost						
1. Opening balance	23,535,849	483,328,191	155,713,740	9,666,054	336,240	672,580,074
2. Increase in the current period	–	51,273,414	10,518,434	1,415,406	–	63,207,254
(1) New leases	–	51,273,414	10,518,434	1,415,406	–	63,207,254
(2) Translation differences of foreign currency financial statements	–	–	–	–	–	–
3. Decreases	–	43,133,805	1,993,207	967,863	336,240	46,431,115
(1) Expiry or termination of lease contracts	–	40,565,213	965,232	853,955	336,240	42,720,640
(2) Translation differences of foreign currency financial statements	–	2,568,592	1,027,975	113,908	–	3,710,475
4. Closing balance	23,535,849	491,467,800	164,238,967	10,113,597	–	689,356,213
II. Accumulated depreciation						
1. Opening balance	10,030,980	198,220,623	44,893,967	2,676,018	227,396	256,048,984
2. Increase in the current period	770,992	67,695,634	10,651,860	1,194,284	108,844	80,421,614
(1) Provision	770,992	67,695,634	10,651,860	1,194,284	108,844	80,421,614
(2) Translation differences of foreign currency financial statements	–	–	–	–	–	–
3. Amount of decrease for the current period	–	41,686,793	1,644,282	821,711	336,240	44,489,026
(1) Expiry or termination of lease contracts	–	40,319,648	965,232	759,102	336,240	42,380,222
(2) Translation differences of foreign currency financial statements	–	1,367,145	679,050	62,609	–	2,108,804
4. Closing balance	10,801,972	224,229,464	53,901,545	3,048,591	–	291,981,572
III. Impairment provision						
1. Opening balance	–	–	–	–	–	–
2. Closing balance	–	–	–	–	–	–
IV. Carrying amount						
1. Closing carrying amount	12,733,877	267,238,336	110,337,422	7,065,006	–	397,374,641
2. Opening carrying amount	13,504,869	285,107,568	110,819,773	6,990,036	108,844	416,531,090

Note 1: The land use right represents the use right of industrial land leased by SMD, a subsidiary of the Group, from a non-related party in 2019. The original lease term was from June 10, 2019 to June 9, 2029, and on August 24, 2021 it was extended to June 9, 2034, with total undiscounted rent equivalent to RMB16,822,420.

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

16. Right-of-use assets (continued)

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

☐Applicable ✔Not applicable

Other explanations:

For the specific arrangements of the Group's leasing activities, see Note VII. 62

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

17. Intangible assets

(1) Details of intangible assets

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Software use rights	Industrial property rights and proprietary technology	Trademarks	Outstanding orders and service contracts	Total
I. Cost						
1. Opening balance	658,408,326	396,706,972	1,682,183,841	138,592,651	57,000,000	2,932,891,790
2. Increase in the current period	49,306,100	44,272,997	19,760,696	–	–	113,339,793
(1) Acquisition	–	14,742,322	19,760,696	–	–	34,503,018
(2) Internal research and development	–	–	–	–	–	–
(3) Transferred from construction in progress	49,306,100	29,530,675	–	–	–	78,836,775
(4) Translation differences of foreign currency financial statements	–	–	–	–	–	–
3. Decreases	945,101	7,591,955	39,366,320	–	–	47,903,376
(1) Disposal or retirement in the current period	140,576	4,855,518	–	–	–	4,996,094
(2) Translation differences of foreign currency financial statements	804,525	2,736,437	39,366,320	–	–	42,907,282
4. Closing balance	706,769,325	433,388,014	1,662,578,217	138,592,651	57,000,000	2,998,328,207
II. Accumulated amortization						
1. Opening balance	91,374,558	255,024,149	967,322,226	138,592,651	57,000,000	1,509,313,584
2. Increase in the current period	6,871,983	25,177,814	79,385,382	–	–	111,435,179
(1) Provision	6,871,983	25,177,814	79,385,382	–	–	111,435,179
(2) Translation differences of foreign currency financial statements	–	–	–	–	–	–
3. Amount of decrease for the current period	–	6,169,504	15,688,673	–	–	21,858,177
(1) Disposal or retirement in the current period	–	4,139,826	–	–	–	4,139,826
(2) Translation differences of foreign currency financial statements	–	2,029,678	15,688,673	–	–	17,718,351
4. Closing balance	98,246,541	274,032,459	1,031,018,935	138,592,651	57,000,000	1,598,890,586

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

17. Intangible assets (continued)

(1) Details of intangible assets (continued)

Item	Land use rights	Software use rights	Industrial property rights and proprietary technology	Trademarks	Outstanding orders and service contracts	Total
III. Impairment provision						
1. Opening balance	–	506,859	6,013,134	–	–	6,519,993
2. Increase in the current period	–	–	–	–	–	–
(1) Provision	–	–	–	–	–	–
3. Amount of decrease for the current period	–	–	–	–	–	–
(1) Disposal	–	–	–	–	–	–
4. Closing balance	–	506,859	6,013,134	–	–	6,519,993
IV. Carrying amount						
1. Closing carrying amount	608,522,784	158,848,696	625,546,148	–	–	1,392,917,628
2. Carrying amount at beginning of period	567,033,768	141,175,964	708,848,481	–	–	1,417,058,213

The proportion of the Group's intangible assets formed through internal R&D to the original book value of intangible assets is set out as follows: 34.62% as of June 30, 2026 and 35.39% as of December 31, 2025.

(2) Data resources recognized as intangible assets

☐Applicable ✔Not applicable

(3) Land use rights for which certificates of title have not been obtained

☐Applicable ✔Not applicable

(4) Impairment testing of intangible assets

☐Applicable ✔Not applicable

Other explanations:

✔Applicable ☐Not applicable

As of June 30, 2026, the Group had no land use rights pledged for obtaining bank borrowings. The land used by the Group is mainly located in mainland China, with holding periods of 40-50 years.

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

18. Goodwill

(1) Original book value of goodwill

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of investee or matter giving rise to goodwill	Opening balance	Increase for the current period Translation difference of foreign currency financial statements	**Closing balance**
Dynex Power Inc. ("Dynex Canada")	46,517,958	–	**46,517,958**
Ningbo CRRC Times	437,432	–	**437,432**
CRRC Times Electronics	13,333,101	–	**13,333,101**
SMD	553,156,259	-24,630,715	**528,525,544**
Electric drive business	31,133,876	–	**31,133,876**
Total	644,578,626	-24,630,715	**619,947,911**

(2) Impairment provision for goodwill

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of investee or matter giving rise to goodwill	Opening balance	Increase for the current period Translation difference of foreign currency financial statements	**Closing balance**
Canada Dynex	46,517,958	–	**46,517,958**
Ningbo CRRC Times	–	–	**–**
CRRC Times Electronics	–	–	**–**
SMD	359,748,384	-16,018,728	**343,729,656**
Electric drive operations	–	–	**–**
Total	406,266,342	-16,018,728	**390,247,614**

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

18. Goodwill (continued)

(3) Relevant information on the asset group or portfolio of asset groups to which goodwill belongs

✔Applicable ☐Not applicable

Name	Composition of the asset group or portfolio of asset groups to which it belongs and basis	Operating segment to which it belongs and basis	Whether consistent with prior years
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 business asset group (Note 1)	/	Yes

Note 1: Considering the management approach of the production and operating activities corresponding to the asset groups and whether the cash inflows generated by the asset groups through operations are independent of the cash inflows of the Company's other assets or asset groups, the Group has determined that the Dynex (Canada), Ningbo CRRC Times, CRRC Times Electronics, SMD and electric drive business asset groups are each asset groups containing goodwill.

Other explanations

Changes in asset groups or combinations of asset groups

☐Applicable ✔Not applicable

Other information:

☐Applicable ✔Not applicable

(4) Specific method for determining the recoverable amount

Recoverable amount determined as the net amount of fair value less costs of disposal

☐Applicable ✔Not applicable

Recoverable amount determined as the present value of expected future cash flows

☐Applicable ✔Not applicable

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

18. Goodwill (continued)

(4) Specific method for determining the recoverable amount (continued)

Reasons for significant inconsistencies between the aforementioned information and the information used in impairment tests in prior years or external information

☐Applicable ✔Not applicable

Reasons for material inconsistencies between the information adopted in the Company's impairment tests in prior years and the actual circumstances of the current year

☐Applicable ✔Not applicable

(5) Performance commitments and corresponding goodwill impairment

Performance commitments existed when the goodwill was formed, and the reporting period or the period immediately preceding the reporting period fell within the performance commitment period

☐Applicable ✔Not applicable

Other explanations

☐Applicable ✔Not applicable

19. Long-term deferred expenses

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount of increase for the current period	Amortization Current period	Closing balance
Improvement expenditures on leased-in fixed assets	23,356,690	**3,216,424**	**2,652,781**	**23,920,333**
Total	23,356,690	**3,216,424**	**2,652,781**	**23,920,333**

Other explanations:

None

VII. NOTES TO 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 Deductible temporary differences	Closing balance Deferred income tax Assets	Opening balance Deductible temporary differences	Opening balance Deferred tax assets
Provision for product quality warranties	1,605,271,491	249,274,652	1,491,194,271	234,959,445
Provision for credit losses	1,305,018,623	196,240,640	1,157,754,604	174,852,329
Provision for impairment of assets	519,729,719	80,945,139	510,583,982	79,374,880
Deferred income	434,383,969	66,128,764	467,000,720	71,129,438
Unrealised profit from internal transactions	1,529,424,462	229,413,669	1,260,073,595	207,901,611
Differences of depreciation/amortisation years due to tax laws and accounting treatment differences	191,185,951	28,677,893	179,977,359	27,397,871
Deductible losses	2,094,341,862	327,163,621	2,141,693,121	327,592,630
Accrued expenses	123,594,946	18,541,226	117,235,438	17,819,787
Accrued employee benefits that have not been paid yet	220,243,775	33,553,103	142,278,926	21,509,962
Changes in fair value of financial assets at fair value through other comprehensive income	19,348,922	3,052,878	43,647,710	6,813,441
Items of costs and expenses without invoices obtained	319,789,859	47,968,479	204,194,667	30,629,200
Lease liabilities	357,651,127	64,831,966	431,481,507	75,219,057
Other	79,333,924	11,998,176	32,362,656	4,889,893
Total	8,799,318,630	1,357,790,206	8,179,478,556	1,280,089,544

VII. NOTES TO 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 Taxable temporary differences	Closing balance Deferred income tax Liabilities	Opening balance Taxable temporary differences	Opening balance Deferred income tax Liabilities
Adjustment on fair value of acquisition of subsidiaries	24,549,069	6,137,267	29,273,696	7,318,425
Depreciation difference due to inconsistency of depreciation period between tax law and accounting	1,225,621,114	192,303,388	1,405,626,119	214,515,333
Gains on changes in fair value during the holding period of the financial assets at fair value through profit or loss	3,053,400	458,010	2,791,428	418,714
Changes in fair value of investments in other equity instruments	18,239,180	2,735,877	18,239,180	2,735,877
Accrued but not received interest receivable	287,992,754	43,198,913	313,907,985	47,086,198
Right-of-use assets	359,752,165	57,182,000	420,379,502	72,542,672
Total	1,919,207,682	302,015,455	2,190,217,910	344,617,219

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

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance Amount of deferred tax assets and liabilities offset against each other	Closing balance Balance of deferred tax assets or liabilities after offsetting	Opening balance Amount of deferred tax assets and liabilities offset against each other	Opening balance Balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	286,181,140	1,071,609,066	327,111,792	952,977,752
Deferred tax liabilities	286,181,140	15,834,315	327,111,792	17,505,427

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

20. Deferred tax assets/liabilities (continued)

(4) Details of unrecognized deferred tax assets

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	404,277,832	242,681,597
Deductible losses	1,091,376,152	884,226,624
Total	1,495,653,984	1,126,908,221

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

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Year	Amount at end of period	Amount at beginning of period	Remarks
At the end of 2028	–	–	/
At the end of 2029	–	16,631,992	/
At the end of 2030	–	–	/
At the end of 2031	3,272,762	5,703,055	/
At the end of 2032	478,323,986	452,140,598	/
At the end of 2033	146,076,381	155,109,964	/
At the end of 2034	87,635,005	89,634,557	/
At the end of 2035	148,219,843	54,953,957	/
At the end of 2036	117,795,674	–	/
Without fixed term (Note)	110,052,501	110,052,501	/
Total	1,091,376,152	884,226,624	/

Note: The deductible losses incurred by the Group's subsidiaries Dynex (Canada), CRRC Times Electric (Hong Kong) Co., Ltd. (hereinafter referred to as "Hong Kong CRRC Times Electric") and SMD have no fixed expiry date.

Other explanations:

☐Applicable ✔Not applicable

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

21. Other non-current assets

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance Book balance	Closing balance Impairment provision	Closing balance Carrying amount	Opening balance Book balance	Opening balance Impairment provision	Opening balance Carrying amount
Large-denomination certificates of deposit	7,259,014,012	–	7,259,014,012	6,700,705,632	–	6,700,705,632
Prepayments for construction and equipment	147,855,040	–	147,855,040	67,618,970	–	67,618,970
Prepayments for land	–	–	–	47,870,000	–	47,870,000
Contract assets	1,382,991,013	177,271,617	1,205,719,396	1,271,967,294	150,224,173	1,121,743,121
Input VAT to be deducted	532,280,757	–	532,280,757	551,677,600	–	551,677,600
Time deposits	718,666,712	–	718,666,712	2,762,690,548	–	2,762,690,548
Total	10,040,807,534	177,271,617	9,863,535,917	11,402,530,044	150,224,173	11,252,305,871

Information relating to indemnification assets

☐Applicable ✔Not applicable

Other explanations:

As of June 30, 2026, for the amounts relating to related parties of the Group in the balance of other non-current assets, see Note XIV.6.

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

22. Assets with restricted ownership or right of use

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Carrying amount at the end of the period				Carrying amount at the beginning of the period			
Item	Book balance	Book value	Type of restriction	Restriction status	Book balance	Book value	Type of restriction	Restricted situation
Cash and bank balances	142,867,432	142,867,432	Other	Bill acceptance deposits and letter-of-guarantee deposits	446,529,211	446,529,211	Other	Bill acceptance deposits
Cash and bank balances	230,757,514	230,757,514	Other	Funds in securities account for share repurchase	185,783	185,783	Other	Funds in securities account for share repurchase
Cash and bank balances	426,280,042	426,280,042	Other	Project supervision funds	451,936,433	451,936,433	Other	Project supervision funds
Cash and bank balances	5,010,306	5,010,306	Other	Deposits for letters of guarantee	–	–	/	/
Bills receivable	22,627,121	22,627,121	Pledge	Endorsed or discounted and not yet due at the balance sheet date	199,862,645	199,725,521	Other	Endorsed or discounted and not yet due at the balance sheet date
Total	827,542,415	827,542,415	/	/	1,098,514,072	1,098,376,948	/	/

Other explanations:

None

VII. NOTES TO 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 loans	114,930,381	40,972,638
Total	114,930,381	40,972,638

Description of the classification of short-term borrowings:

As of June 30, 2026, the annual interest rate of short-term borrowings was 5.90% (December 31, 2025: 5.90%-7.00%).

As of June 30, 2026, the balance of short-term borrowings contained no amounts borrowed from related parties of the Group.

(2) Past due and outstanding short-term loans

☐Applicable ✔Not applicable

Other information

☐Applicable ✔Not applicable

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

24. Bills payable

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptances	101,549,941	289,371,243
Bank acceptances	6,463,653,112	8,413,786,223
Total	6,565,203,053	8,703,157,466

The total amount of bills payable due but unpaid at the end of the current period was 0 Yuan.

As of June 30, 2026, for the amounts payable to related parties of the Group in the balance of bills payable, see Note XIV.6.

25. Accounts payable

(1) Presentation of accounts payable

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Related parties	868,241,204	671,070,091
Third parties	7,530,209,003	8,021,021,240
Total	8,398,450,207	8,692,091,331

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

25. Accounts payable (continued)

(2) Accounts payable disclosed by aging

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 6 months	5,809,213,549	6,952,941,930
6 months to 1 year	1,251,693,873	891,215,601
1 to 2 years	971,562,155	610,438,908
2 to 3 years	242,983,561	128,955,060
Over 3 years	122,997,069	108,539,832
Total	8,398,450,207	8,692,091,331

The aging of the Group's accounts payable is determined based on the recognition dates of the accounts payable.

(3) Significant accounts payable aged over 1 year

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-repayment or carry-forward
Supplier 709832	90,220,266	Payment conditions not met
Supplier 728500	74,213,704	Payment conditions not met
Supplier 700398	63,530,747	Payment conditions not met
Supplier 734391	35,273,886	Payment conditions not met
Supplier 739847	23,630,186	Payment conditions not met
Supplier 701603	22,142,348	Payment conditions not met
Total	309,011,137	/

Other explanations:

☐Applicable ✔Not applicable

VII. NOTES TO 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 contracts	1,513,374,047	1,537,580,798
Related to construction service contracts	91,276,536	159,176,109
Total	1,604,650,583	1,696,756,907

Under certain of the Group's sales contracts, the point of acceptance and handover occurs later than the point of customer payment, giving rise to contract liabilities related to sales contracts. The relevant revenue will be recognized after the Group completes the handover of the relevant goods/fulfillment of the performance obligations.

The Group's contract liabilities related to construction service contracts represent the portion of the settled amounts in excess of the revenue recognized by the Group based on the progress of performance.

As of June 30, 2026, for the amounts relating to related parties of the Group in the balance of contract liabilities, see Note XIV.6.

(2) Significant contract liabilities aged over 1 year

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-reimbursement or carry-over
Customer 106577	88,452,367	Conditions for revenue recognition not being satisfied
Customer 107330	56,686,910	Conditions for revenue recognition not being satisfied
Customer 129630	34,687,788	Conditions for revenue recognition not being satisfied
Customer 129629	16,861,726	Conditions for revenue recognition not being satisfied
Customer 150801	15,799,115	Conditions for revenue recognition not being satisfied
Customer 109863	11,192,523	Conditions for revenue recognition not being satisfied
Customer 131967	10,086,106	Conditions for revenue recognition not being satisfied
Total	233,766,535	/

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

26. Contract liabilities (continued)

(3) Amounts of and reasons for material changes in carrying amounts during the reporting period

☐Applicable ✔Not applicable

(4) Changes in the balance of the Group's contract liabilities are as follows

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	2026
Opening balance	1,696,756,907
Amount of revenue recognised during the year for contract liabilities at the beginning of the year	828,985,353
Amount arising from contract liabilities at the end of the year as a result of cash received during the year (not including the amount of revenue recognised during the year)	736,879,029
Closing balance	1,604,650,583

Other explanations:

☐Applicable ✔Not applicable

27. Employee benefits payable

(1) Details of employee benefits payable

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Translation difference of foreign currency financial statements	Closing balance
I. Short-term employee benefits	246,647,254	1,487,265,597	1,286,282,009	-229,114	447,401,728
II. Post-employment benefits – defined contribution plans	14,063,126	224,218,762	227,532,155	-404,890	10,344,843
III. Termination benefits	–	1,397,448	1,397,448	–	–
IV. Labour expenditures	–	10,890,563	10,890,563	–	–
Total	260,710,380	1,723,772,370	1,526,102,175	-634,004	457,746,571

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

27. Employee benefits payable (continued)

(2) Presentation of short-term employee benefits

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Translation difference of foreign currency financial statements	Closing balance
I. Wages, bonuses, allowances and subsidies	6,205,795	1,176,995,835	991,956,952	-226,869	191,017,809
II. Employee welfare expenses	–	34,989,381	34,989,381	–	–
III. Social insurance premiums	2,842,970	119,488,598	119,173,651	-302	3,157,615
Including: medical insurance premiums	1,455,326	75,557,933	75,980,514	-222	1,032,523
Supplementary medical insurance premiums	796,687	32,664,656	31,707,953	–	1,753,390
Work-related injury insurance premiums	452,923	10,893,336	11,007,117	-80	339,062
Maternity insurance premiums	138,034	372,673	478,067	–	32,640
IV. Housing provident fund	536,722	112,564,406	112,597,085	–	504,043
V. Labor union funds and employee education funds	236,026,662	43,227,377	27,564,940	–	251,689,099
VI. Others	1,035,105	–	–	-1,943	1,033,162
Total	246,647,254	1,487,265,597	1,286,282,009	-229,114	447,401,728

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

27. Employee benefits payable (continued)

(3) Details of defined contribution plans

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Translation difference of foreign currency financial statements	Closing balance
1. Basic pension insurance	13,115,325	169,499,331	172,947,659	-404,890	9,262,107
2. Unemployment insurance premiums	368,891	5,681,942	6,007,646	–	43,187
3. Enterprise annuity contributions	578,910	49,037,489	48,576,850	–	1,039,549
Total	14,063,126	224,218,762	227,532,155	-404,890	10,344,843

Other explanations:

✔Applicable ☐Not applicable

The Group's employees participate in defined contribution plans managed and operated by local governments, with contributions paid at rates agreed with the local governments. Contributions to the Group's defined contribution plans (including social insurance plans and annuity plans) are charged to profit or loss for the current period as incurred. As of June 30, 2026, the Group had no forfeited contributions available to reduce its existing level of contributions.

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

28. Taxes payable

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	42,889,980	74,925,986
Enterprise income tax	246,814,872	61,335,209
Individual income tax	4,420,122	56,511,995
City maintenance and construction tax and education surcharges	10,772,139	11,119,231
Other	15,676,723	18,516,389
Total	320,573,836	222,408,810

Other explanations:

None

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

29. Other payables

(1) Presentation of items

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	–	–
Dividends payable	904,878,320	11,405,000
Other payables	3,805,076,723	3,741,622,316
Total	4,709,955,043	3,753,027,316

(2) Interest payable

☐Applicable ✔Not applicable

(3) Dividends payable

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends payable – related parties	415,059,410	418,000
Dividends payable – third parties	489,818,910	10,987,000
Total	904,878,320	11,405,000

Other explanations, including significant dividends payable unpaid for more than 1 year, for which the reasons for non-payment shall be disclosed:

None

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

29. Other payables (continued)

(4) Other payables

Other payables presented by nature of payment

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Amounts due to related companies	1,708,461,536	1,683,200,787
Guarantees and deposits	447,830,124	453,136,394
Projects and equipment	1,002,514,250	1,034,964,600
Withholding social security contributions	3,358,111	3,477,176
Other	642,912,702	566,843,359
Total	3,805,076,723	3,741,622,316

Significant other payables aged over 1 year or overdue

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-repayment or carry-forward
Supplier 99024	1,476,605,100	Payment conditions not met
Supplier 720730	41,118,911	Payment conditions not met
Supplier 740246	29,020,000	Payment conditions not met
Supplier 712119	25,237,110	Payment conditions not met
Supplier 731314	17,646,000	Payment conditions not met
Supplier 725742	13,590,000	Payment conditions not met
Supplier 712118	12,295,632	Payment conditions not met
Supplier 701020	11,847,023	Payment conditions not met
Supplier 800360	11,774,791	Payment conditions not met
Total	1,639,134,567	/

Other explanations:

☐Applicable ✔Not applicable

VII. NOTES TO 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	5,602,868	7,924,449
Lease liabilities due within 1 year	135,114,688	134,397,206
Provisions due within 1 year	780,893,798	833,316,584
Total	921,611,354	975,638,239

Other explanations:

None

31. Other current liabilities

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT for sales of goods collected in advance	196,232,119	205,580,875
Total	196,232,119	205,580,875

Changes in short-term bonds payable:

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

VII. NOTES TO 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 loans	48,790,868	56,612,449
Less: long-term borrowings due within 1 year	5,602,868	7,924,449
Total	43,188,000	48,688,000

Explanation of the classification of long-term borrowings:

As of June 30, 2026, for the amounts relating to related parties of the Group in the balance of long-term borrowings, see Note XIV.6.

Other explanations

✔Applicable ☐Not applicable

(1) The interest rates of the above borrowings are as follows:

Unit: Yuan Currency: RMB

Item	Amount at end of period	Amount at beginning of period
Fixed annual interest rate	1.08%	1.08%-2.50%

(2) Maturity analysis is as follows:

Unit: Yuan Currency: RMB

Item	Amount at end of period	Amount at beginning of period
Due within 1 year	5,602,868	7,924,449
Due within 1 to 2 years	12,000,000	11,500,000
Due within 2 to 5 years	31,188,000	37,188,000
Total	48,790,868	56,612,449

VII. NOTES TO 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	**406,300,830**	433,124,534
Less: lease liabilities classified as non-current liabilities due within 1 year (Note VII. 30)	**135,114,688**	134,397,206
Total	**271,186,142**	298,727,328

Other explanations:

The maturity analysis is as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Due within 1 to 2 years	**68,548,905**	79,489,113
Due within 2 to 5 years	**107,256,879**	121,917,236
Due over 5 years	**162,813,248**	171,201,381
Total	**338,619,032**	372,607,730
Less: Unrecognised financing expenses	**67,432,890**	73,880,402
Lease liabilities	**271,186,142**	298,727,328

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

34. Provisions

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Reason for formation
Provision for product quality warranties	1,624,558,690	1,512,351,018	After-sales services as agreed in the agreement
Less: Provisions due within 1 year (Note VII.30)	780,893,798	833,316,584	/
Total	843,664,892	679,034,434	/

Other explanations, including descriptions of significant assumptions and estimates relating to significant provisions:

The provision for product quality warranty mainly represents the estimated warranty expenses to be borne for products sold, and is accrued based on estimates that management considers reasonable, with reference to the actual warranty expenses incurred in prior years and actual sales in the current period.

35. Deferred income

Details of deferred income

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance	Reason for formation
Government grants	562,194,753	13,538,371	48,258,200	527,474,924	Government grants received that have not yet met the conditions for carry-forward
Total	562,194,753	13,538,371	48,258,200	527,474,924	/

Other explanations:

☐Applicable ✔Not applicable

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

36. Share capital

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Increase/decrease in this change (+, –) Issuance New shares	Bonus issue	Reserves Conversion into shares	Other	Subtotal	Closing balance
Total numbers of shares	1,357,948,412	–	–	–	-10,245,600	-10,245,600	1,347,702,812
I. Restricted shares:	–	–	–	–	–	–	–
Shares held by state-owned legal person	–	–	–	–	–	–	–
Shares held by other domestic investors	–	–	–	–	–	–	–
Shares held by foreign investor	–	–	–	–	–	–	–
II. Unrestricted shares:	–	–	–	–	–	–	–
H Shares listed abroad	489,040,900	–	–	–	-10,245,600	-10,245,600	478,795,300
A Shares listed domestically	868,907,512	–	–	–	–	–	868,907,512
Total	1,357,948,412	–	–	–	-10,245,600	-10,245,600	1,347,702,812

Other explanations:

In 2026, the Company conducted a series of repurchases and cancellations of H shares on The Stock Exchange of Hong Kong Limited. As of June 30, 2026, the Company had cumulatively repurchased 27,245,000 H shares and cancelled 10,245,600 H shares.

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

37. Capital reserve

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period (Note 1)	Closing balance
Share premium	11,490,563,194	–	310,731,665	11,179,831,529
Other capital reserves	-89,108,873	–	–	-89,108,873
Total	11,401,454,321	–	310,731,665	11,090,722,656

Other explanations, including increases and decreases in the current period and reasons for the changes:

Note 1: The decrease in capital reserve for the current period was mainly due to the effect of the Company's repurchase and cancellation of H shares.

38. Treasury shares

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
H-share repurchase	–	896,719,451	320,213,734	576,505,717
Total	–	896,719,451	320,213,734	576,505,717

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

38. Treasury shares (continued)

Other explanations, including increases and decreases in the current period and reasons for the changes:

During the reporting period, the company repurchased a total of 27,245,000 H shares with a par value of RMB1 per share from its H share capital on Hong Kong Stock Exchange. The total consideration was HKD1,025,918,275.48 (excluding transaction fees). The 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$)
February 2026	283,900	44.70	42.46	12,325,257.36
April 2026	7,823,600	36.70	33.68	273,701,340.75
May 2026	5,676,100	68.98	35.48	211,411,571.53
June 2026	13,461,400	40.00	37.36	528,480,105.84
Total	27,245,000	/	/	1,025,918,275.48

10,245,600 H Shares repurchased by the Company from 10 February 2026 to 6 May 2026 were cancelled on 12 May 2026; and 16,999,400 H Shares repurchased from 7 May 2026 to 25 June 2026 were cancelled on 13 July 2026.

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

39. Other comprehensive income

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning of period Balance	Amount incurred in the current period: Amount before income tax for the current period	Less: amounts previously included in other comprehensive income and transferred to profit or loss in the current period	Less: income tax expense	After tax, attributable to the parent company	After tax, attributable to minority shareholders	End of period Balance
I. Other comprehensive income that cannot be reclassified to profit or loss	15,503,303	–	–	–	–	–	15,503,303
Including: changes in fair value of investments in other equity instruments	15,503,303	–	–	–	–	–	15,503,303
II. Other comprehensive income to be reclassified to profit or loss	-218,231,935	-1,147,609	–	6,410,692	-7,765,303	207,002	-225,997,238
Including: changes in fair value of other debt investments	-41,114,073	21,992,846	–	3,760,563	18,025,281	207,002	-23,088,792
Exchange differences on translation of foreign currency financial statements	-177,117,862	-23,140,455	–	2,650,129	-25,790,584	–	-202,908,446
Total other comprehensive income	-202,728,632	-1,147,609	–	6,410,692	-7,765,303	207,002	-210,493,935

Other explanations, including adjustments to the initially recognized amount of hedged items transferred from the effective portion of gains or losses on cash flow hedges:

Changes in fair value of other debt investments arise from receivables financing.

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

40. Special reserve

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
Production safety fees	154,943,137	21,236,066	4,498,569	171,680,634
Total	154,943,137	21,236,066	4,498,569	171,680,634

Other explanations, including increases and decreases in the current period and reasons for the changes:

None

41. Surplus reserve

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Closing balance
Statutory surplus reserve	3,852,572,724	–	–	3,852,572,724
Total	3,852,572,724	–	–	3,852,572,724

Description of surplus reserve, including increases and decreases during the current period and the reasons for the changes:

In accordance with the Company Law and the Articles of Association of the Company, the Company appropriates 10% of its net profit to the statutory surplus reserve. After appropriating to the statutory surplus reserve, the Company may appropriate to the discretionary surplus reserve. Upon approval, the discretionary surplus reserve may be used to make up losses of prior years or to increase share capital.

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

42. Retained earnings

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior year
Retained earnings at the end of the period (before adjustment)	**25,922,673,470**	24,103,864,879
Total adjustments for opening retained earnings ("+" for increase; "-" for decrease)	**–**	–
Retained earnings at the beginning of the period (after adjustment)	**25,922,673,470**	24,103,864,879
Add: Net profit attributable to shareholders of the Parent Company	**1,712,297,377**	4,096,540,421
Less: Appropriation to statutory surplus reserve	**–**	322,286,117
Common stock dividends payable	**904,878,320**	1,955,445,713
Retained earnings at the end of the period	**26,730,092,527**	25,922,673,470

Note 1: Cash dividends approved by the general meeting of shareholders for the year

The 2025 profit distribution plan of the Company was approved at the 2025 annual general meeting of shareholders held on June 27, 2026. Based on a total share capital of 1,330,703,412 shares, the Company distributed the 2025 annual cash dividend to all shareholders at Yuan 0.68 per share (tax inclusive), totaling Yuan 904,878,320.

Note 2: Profit distribution resolved after the balance sheet date

The Company intends to distribute cash dividends to all shareholders based on the total share capital registered on the record date for the implementation of the equity distribution (the specific date will be specified in the announcement on the implementation of the equity distribution). The Company intends to distribute a cash dividend of Yuan 4.60 (tax inclusive) per 10 shares to all shareholders. As of July 31, 2026, the Company's total share capital was 1,330,703,412 shares; calculated on this basis, the total cash dividends proposed to be distributed amount to Yuan 612,123,569.52, accounting for 35.75% of the net profit attributable to shareholders of the listed company in the Company's 2026 semi-annual consolidated financial statements. If the Company's total share capital changes during the period from the date of disclosure of the Company's profit distribution announcement to the record date for the implementation of the equity distribution, the Company intends to keep the distribution ratio per share unchanged and adjust the total distribution amount accordingly, and will separately announce the specific adjustments. The above profit distribution proposal was deliberated and approved at the third meeting of the eighth session of the Board of Directors of the Company; this matter has been authorized by the 2025 annual general meeting of shareholders held on June 26, 2026, and is not required to be submitted to the Company's general meeting of shareholders for deliberation.

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

43. Revenue and cost of sales

(1) Details of revenue and cost of sales

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period Revenue	Current period Cost of sales	Prior period Revenue	Prior period Cost of sales
Principal operating activities	**13,007,061,554**	**8,728,705,004**	12,155,437,573	8,254,214,075
Other operating activities	**63,457,772**	**53,273,364**	58,534,029	49,994,914
Total	**13,070,519,326**	**8,781,978,368**	12,213,971,602	8,304,208,989

(2) Presentation of revenue and cost of sales by business type is as follows:

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period Revenue	Current period Cost of sales	Prior period Revenue	Prior period Cost of sales
Rail transit equipment business	**7,579,096,808**	**4,451,203,555**	6,910,954,143	4,290,320,410
Emerging equipment business	**5,427,964,746**	**4,277,501,449**	5,244,483,430	3,963,893,665
Others	**63,457,772**	**53,273,364**	58,534,029	49,994,914
Total	**13,070,519,326**	**8,781,978,368**	12,213,971,602	8,304,208,989

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

43. Revenue and cost of sales (continued)

(3) Disaggregation of revenue and cost of sales

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Contract classification	Current period Revenue	Prior period Revenue
By geographical areas of sales		
Chinese Mainland	**12,125,404,485**	11,456,856,340
Other countries and regions	**945,114,841**	757,115,262
Total	**13,070,519,326**	12,213,971,602

Other explanations

☐Applicable ✔Not applicable

(4) Description of performance obligations

✔Applicable ☐Not applicable

The Group mainly sells rail transit equipment products. Such goods and materials are transported mainly by land, and the Group generally recognizes revenue when the customer has received and accepted the products as qualified.

Advance payments received from customers before the delivery of rail transit equipment products are recognized as contract liabilities in the financial statements. There is no significant financing component or return right in the sales process of rail transit equipment products.

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

43. Revenue and cost of sales (continued)

(4) Description of performance obligations (continued)

Repair service revenue

The Group mainly repairs rail transit equipment products, and the Group recognizes revenue upon completion of the repair services.

Construction contract revenue

The Group's construction contracts mainly involve the production of marine engineering products such as deep-sea robots and the undertaking of PV power station EPC projects.

For the production and sale of marine engineering products, as the goods produced by the Group in the course of performance have no alternative use and the Group has the right throughout the contract period to receive payment for the performance completed to date, the Group treats them as performance obligations satisfied over a period of time and recognizes revenue according to the progress of performance. The Group uses the input method to determine the progress of performance.

For photovoltaic power station EPC projects, as the Group's customers are able to control the assets under construction in the course of the Group's performance, the Group treats them as performance obligations satisfied over a period of time and recognizes revenue according to the progress of performance. The Group uses the output method to determine the progress of performance.

There are no significant financing components or return rights in the process of selling marine engineering products or in the course of undertaking PV power station EPC projects.

(5) Description of allocation to remaining performance obligations

☐Applicable ✔Not applicable

(6) Material contract changes or material transaction price adjustments

☐Applicable ✔Not applicable

Other explanations:

None

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

44. Taxes and surcharges

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Urban maintenance and construction tax	20,660,052	34,986,113
Education surcharge	14,880,323	25,223,403
Other	39,450,141	36,887,824
Total	74,990,516	97,097,340

Other explanations:

None

45. Selling expenses

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee remuneration	152,114,784	137,070,590
Office and travel expenses	34,843,937	36,816,072
Other	75,042,002	54,290,934
Total	262,000,723	228,177,596

Other explanations:

None

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

46. Administrative expenses

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee remuneration	**275,573,216**	251,446,187
Depreciation and amortization expenses	**97,470,012**	86,432,950
Facility maintenance expenses	**39,709,420**	18,101,026
Other	**125,111,185**	116,333,601
Total	**537,863,833**	472,313,764

Other explanations:

None

47. Research and development expenses

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee remuneration	**686,578,964**	647,390,202
Material consumption expenses	**318,402,019**	287,672,754
Depreciation and amortization expense	**173,647,468**	157,816,728
Other	**172,774,246**	121,620,770
Total	**1,351,402,697**	1,214,500,454

Other explanations:

None

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

48. Finance expenses

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Interest expense on borrowings	13,960,898	9,677,118
Interest expense on lease liabilities	9,241,267	6,019,878
Less: capitalized interest expense	7,017,402	5,591,556
Interest income	-127,910,927	-156,837,561
Net exchange loss (gains indicated by "-")	47,622,633	-40,967,043
Financial institution handling fees	9,199,200	7,750,500
Other	3,252,084	1,621,801
Total	-51,652,247	-178,326,863

Other explanations:

None

49. Other income

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Other income	98,492,978	227,773,732
Total	98,492,978	227,773,732

Other explanations:

None

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

50. Investment income

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Income from long-term equity investments accounted for using the equity method	-5,573,691	-5,725,477
Investment income from disposal of held-for-trading financial assets	5,614,304	-3,437,313
Gains recognized from discounting of derecognized notes	-3,899,461	-3,244,518
Total	-3,858,848	-12,407,308

Other explanations:

None

51. Gains on changes in fair value

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Source of gains from changes in fair value	Current period	Prior period
Held-for-trading financial assets	1,295,808	8,109,370
Total	1,295,808	8,109,370

Other explanations:

None

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

52. Gains on disposal of assets

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Gain/(loss) on disposal of fixed assets	-2,495,253	-57,877
Gains/(losses) on disposal of right-of-use assets	9,476	-624,580
Total	-2,485,777	-682,457

Other explanations:

☐Applicable ✔Not applicable

53. Credit impairment losses

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Bad debt losses on bills receivable	2,759,419	-197,459
Bad debt losses on accounts receivable	-155,154,873	-215,631,488
Bad debt losses on other receivables	1,916,008	-3,804,480
Total	-150,479,446	-219,633,427

Other explanations:

None

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

54. Asset impairment losses

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Loss on decline in value of inventories	9,811,236	-2,437,512
Impairment loss on contract assets	563,758	-12,095,047
Impairment losses on other non-current assets	-26,263,818	10,489,188
Total	-15,888,824	-4,043,371

Other explanations:

None

55. Non-operating income

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the current period	Amount included in non-recurring profit or loss for the prior period
Amounts unable to be paid	9,243,299	8,645,252	9,243,299	8,645,252
Quality compensation	6,492,476	3,077,872	6,492,476	3,077,872
Penalty and liquidated damages income	1,960,375	242,897	1,960,375	242,897
Other	4,302,739	9,289,061	4,302,739	9,289,061
Total	21,998,889	21,255,082	21,998,889	21,255,082

Other explanations:

☐Applicable ✔Not applicable

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

56. Non-operating expenses

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period	Amount included in non-recurring profit or loss for the current period	Amount included in non-recurring profit or loss for the prior period
Penalty and liquidated damages expenses	5,664,350	8,289,787	5,664,350	8,289,787
Other	2,756,750	335,845	2,756,750	335,845
Total	8,421,100	8,625,632	8,421,100	8,625,632

Other explanations:

None

57. Income tax expense

(1) Income tax expense table

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Current income tax expense	413,777,123	465,763,596
Deferred income tax expense	-126,713,118	-162,213,339
Total	287,064,005	303,550,257

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

57. Income tax expense (continued)

(2) Reconciliation of accounting profit and income tax expense

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Total profit	**2,054,589,116**	2,087,746,311
Income tax expense calculated at the statutory/applicable tax rate of 15%	**308,188,367**	313,161,946
Effect of different tax rates applicable to subsidiaries	**5,861,892**	6,820,913
Effect of profit or loss attributable to joint ventures and associates	**853,805**	858,822
Effect of non-deductible costs, expenses and losses	**5,992,572**	6,838,158
Effect of utilization of deductible losses for which no deferred tax asset was recognized in prior periods	**-8,985,211**	-57,344,001
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognized in the current period	**23,958,814**	72,172,158
Effect of super-deduction of R&D expenses	**-105,658,868**	-97,962,284
Other	**56,852,634**	59,004,545
Income tax expense	**287,064,005**	303,550,257

Other explanations:

☐Applicable ✔Not applicable

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

58. Cash flow statement items

(1) Cash related to operating activities

Other cash received relating to operating activities

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Interest income	11,970,001	36,988,251
Current accounts received	15,919,257	113,882,152
Others	110,060,745	92,693,241
Total	137,950,003	243,563,644

Explanation of other cash received relating to operating activities:

None

Other cash paid 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	289,550,641	235,169,735
Provision on product quality warranty	441,150,313	372,065,831
Bank charges	12,451,284	9,372,301
Others	9,068,477	18,846,602
Total	752,220,715	635,454,469

Explanation of other cash paid relating to operating activities:

None

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

58. Cash flow statement items (continued)

(2) Cash related to investing activities

Significant cash received relating to investing activities

☐Applicable ✔Not applicable

Significant cash paid relating to investing activities

☐Applicable ✔Not applicable

Other cash received relating to investing activities

☐Applicable ✔Not applicable

Other cash paid relating to investing activities

☐Applicable ✔Not applicable

(3) Cash related to financing activities

Other cash received relating to financing activities

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Finance lease	301,219	1,186,639
Intercompany borrowings	3,000,000	1,097,000,000
Other	–	92,030,717
Total	3,301,219	1,190,217,356

Explanation of other cash received relating to financing activities:

None

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

58. Cash flow statement items (continued)

(3) Cash related to financing activities (continued)

Other cash paid relating to financing activities

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payments on lease liabilities	85,643,502	72,947,683
Repurchase of shares	1,133,789,241	–
Total	1,219,432,743	72,947,683

Explanation of other cash paid relating to financing activities:

None

Changes in liabilities arising from financing activities

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period		Decrease for the current period		Closing balance
		Changes in cash	Non-cash changes	Changes in cash	Non-cash changes	
Short-term borrowings	40,972,638	77,548,401	–	–	3,590,658	114,930,381
Dividends payable	11,405,000	–	904,878,320	11,405,000	–	904,878,320
Other payables – borrowings from related parties	1,237,410,000	3,000,000	–	–	–	1,240,410,000
Long-term borrowings (including long-term borrowings due within one year)	56,612,449	–	–	7,816,100	5,481	48,790,868
Lease liabilities (including lease liabilities due within one year)	433,124,534	–	59,160,216	85,643,502	340,418	406,300,830
Total	1,779,524,621	80,548,401	953,169,201	93,995,267	3,936,557	2,715,310,399

(4) Explanation of cash flows presented on a net basis

☐Applicable ✔Not applicable

(5) Significant activities and financial impacts that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect its cash flows in the future

☐Applicable ✔Not applicable

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

59. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Supplementary information	Current period	Prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	**1,767,525,111**	1,784,196,054
Add: provision for asset impairment	**15,888,824**	4,043,371
Credit impairment losses	**150,479,446**	219,633,427
Depreciation of fixed assets	**743,101,887**	523,860,799
Amortization of intangible assets	**111,435,179**	75,031,276
Depreciation of right-of-use assets	**80,421,614**	128,207,179
Amortization of long-term deferred expenses	**2,652,781**	3,991,626
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains indicated by "-")	**2,485,777**	96,207
Losses from changes in fair value (gains indicated by "-")	**-1,295,808**	-8,109,370
Financial expenses (income indicated by "-")	**-52,133,530**	-150,710,913
Investment losses (income indicated by "-")	**-40,613**	9,162,790
Decrease in deferred tax assets (increase indicated by "-")	**-125,042,006**	-155,535,210
Increase in deferred tax liabilities (decrease indicated by "-")	**-1,671,112**	-7,034,771
Decrease in inventories (increases indicated by "-")	**-1,069,509,587**	-1,130,291,021
Decrease in operating receivables (increase indicated by "-")	**355,277,775**	-2,259,540,272
Increase in operating payables (decrease indicated by "-")	**-501,234,670**	2,889,694,422
Other	**2,941,746**	-47,279,221
Net cash flow from operating activities	**1,481,282,814**	1,879,416,373
2. Significant investing and financing activities not involving cash receipts and payments:		
Debt converted into capital	**–**	–
Convertible corporate bonds due within one year	**–**	–
Fixed assets acquired under finance leases	**–**	–
3. Net change in cash and cash equivalents:		
Closing balance of cash	**4,075,150,000**	5,524,896,400
Less: opening balance of cash	**4,389,571,295**	7,637,572,817
Net increase in cash and cash equivalents	**-314,421,295**	-2,112,676,417

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

59. Supplementary information to the cash flow statement (continued)

(2) Net cash paid in the current period for the acquisition of subsidiaries

☐Applicable ✔Not applicable

(3) Net cash received in the current period from the disposal of subsidiaries

☐Applicable ✔Not applicable

(4) Composition of cash and cash equivalents

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item		Closing balance	Opening balance
I.	Cash	**4,075,150,000**	4,389,571,295
	Including: cash on hand	**18,567**	18,778
	Bank deposits readily available for payment	**4,075,131,433**	4,389,552,517
III.	Closing balance of cash and cash equivalents	**4,075,150,000**	4,389,571,295

(5) Amounts with restricted use that are still presented as cash and cash equivalents

☐Applicable ✔Not applicable

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

59. Supplementary information to the cash flow statement (continued)

(6) Cash and bank balances that are not cash and cash equivalents

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Reason
Bank deposits	134,972,309	1,425,639,849	Time deposits due in more than three months
Other cash and bank balances	804,914,294	898,651,427	Deposits for bank acceptance bills, deposits for letters of guarantee, and funds in securities accounts for share repurchase
Total	939,886,603	2,324,291,276	/

Other explanations:

☐Applicable ✔Not applicable

60. Notes to items in the statement of changes in owners' equity

Explanation of the names of the "other" items used to adjust the closing balance of the prior year and the adjustment amounts:

☐Applicable ✔Not applicable

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

61. Foreign currency monetary items

(1) Foreign currency monetary items

✔Applicable ☐Not applicable

Unit: Yuan

Item	Foreign currency balance at end of period	Translation exchange rate	Yuan equivalent at end of period Balance
Cash and bank balances			467,438,641
Including: HKD	265,666,901	0.8686	230,758,270
Euro	14,298,970	7.7671	111,061,530
Mexican Peso	152,924,193	0.3897	59,594,558
USD	6,549,558	6.8109	44,608,385
GBP	1,357,499	9.0145	12,237,175
Other	/	/	9,178,723
Accounts receivable			153,837,128
Including: EUR	13,998,031	7.7671	108,724,108
USD	1,850,768	6.8109	12,605,395
Mexican Peso	78,124,389	0.3897	30,445,074
Other	/	/	2,062,551
Accounts payable			43,990,873
Including: USD	4,435,226	6.8109	30,207,878
Others	/	/	13,782,995
Other payables			55,940,519
Including: USD	4,047,252	6.8109	27,565,427
Japanese yen	346,894,980	0.0420	14,569,589
Euro	1,741,910	7.7671	13,529,589
Other	/	/	275,914
Other receivables			519,289
Including: Other	/	/	519,289

Other explanations:

None

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

61. Foreign currency monetary items (continued)

(2) The nature and financial effects of the lack of convertibility of a currency, the spot exchange rate used and its estimation process, and the risks to which the enterprise is exposed as a result of the lack of convertibility of the currency

☐Applicable ✔Not applicable

(3) Description of overseas operating entities, including, for significant overseas operating entities, disclosure of their principal overseas places of business, functional currencies and the basis for selection, and, where the functional currency has changed, the reasons therefor

✔Applicable ☐Not applicable

Name of overseas operating entity	Principal place of business	Functional currency
SMD, LTD	United Kingdom	GBP

(4) Circumstances where there is a lack of convertibility between the functional currency of overseas operations and the Company's presentation currency

☐Applicable ✔Not applicable

62. Leases

(1) As lessee

✔Applicable ☐Not applicable

Variable lease payments not included in the measurement of lease liabilities

☐Applicable ✔Not applicable

Lease expenses for short-term leases or low-value assets under simplified treatment

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	**Semi-annual 2026**	Semi-annual 2025
Lease expenses for short-term leases or low-value assets for which the simplified treatment is elected	**7,222,627**	4,292,397

Sale-and-leaseback transactions and basis for judgment

☐Applicable ✔Not applicable

Total cash outflow related to leases 92,866,129 (Unit: Yuan Currency: RMB)

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

62. Leases (continued)

(2) As lessor

Operating leases as lessor

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Lease income	Including: income related to variable lease payments not included in lease receipts
Buildings and structures	5,781,576	–
Machinery and equipment	5,888,918	–
Total	11,670,494	–

The undiscounted lease receipts to be received by the Group after the balance sheet date are as follows:

Unit: Yuan Currency: RMB

Item	Undiscounted lease receipts for each year	
	Amount at end of period	Amount at beginning of period
Within 1 year (including 1 year)	**17,778,578**	25,329,868
1 to 2 years (including 2 years)	**9,638,400**	23,126,666
2 to 3 years (including 3 years)	**326,460**	850,000
3 to 4 years (including 4 years)	**–**	–
4 to 5 years (including 5 years)	**–**	–
Over 5 years	**–**	–
Total	**27,743,438**	49,306,534

Finance leases as lessor

✔Applicable ☐Not applicable

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

62. Leases (continued)

(2) As lessor (continued)

Unit: Yuan Currency: RMB

Item	Gain or loss on sales	Financing income	Income related to variable lease payments not included in the net investment in leases
Buildings and structures	–	–	–
Total	–	–	–

Reconciliation of undiscounted lease receipts to net investment in leases

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Undiscounted lease receipts for each year **Amount at end of period**	Amount at beginning of period
Within 1 year (including 1 year)	–	302,386
1 to 2 years (including 2 years)	–	–
2 to 3 years (including 3 years)	–	–
3 to 4 years (including 4 years)	–	–
4 to 5 years (including 5 years)	–	–
Over 5 years	–	–
Subtotal of undiscounted lease receipts	–	302,386
Less: unrealized financing income	–	1,167
Net investment in leases	–	301,219

Undiscounted lease receipts for the next five years

☐Applicable ✔Not applicable

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

62. Leases (continued)

(3) Recognition of gains or losses on finance lease sales as a manufacturer or dealer

☐Applicable ✔Not applicable

Other explanations

None

63. Other

☐Applicable ✔Not applicable

VIII. R&D EXPENDITURE

1. Presentation by nature of expense

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee remuneration	693,278,131	657,856,905
Depreciation and amortization expense	173,647,468	157,816,728
Material consumption	330,401,143	321,478,230
Other	181,768,738	133,597,183
Total	1,379,095,480	1,270,749,046
Including: expensed R&D expenditure	1,351,402,697	1,214,500,454
Capitalized R&D expenditures	27,692,783	56,248,592

Other explanations:

None

VIII. R&D EXPENDITURE (continued)

2. Development expenditures on R&D projects meeting the capitalization criteria

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning of period Balance	Amount of increase for the current period: Internal development expenditure	Amount of increase for the current period: Differences on translation of foreign currency financial statements	Amount of decrease for the current period: Recognized as intangible assets	Amount of decrease for the current period: Transferred to profit or loss for the current period	End of period Balance
Project 1	73,343,480	5,948,955	–	–	–	79,292,435
Project 2	35,199,533	623,219	–	–	–	35,822,752
Project 3	31,390,381	36,080	–	–	–	31,426,461
Project 4	20,047,060	823,942	–	–	–	20,871,002
Project 5	19,713,622	806,205	–	–	–	20,519,827
Others	91,768,229	1,370,857,079	-2,379,468	–	1,351,402,697	108,843,143
Total	271,462,305	1,379,095,480	-2,379,468	–	1,351,402,697	296,775,620

VIII. R&D EXPENDITURE (continued)

2. Development expenditures on R&D projects meeting the capitalization criteria (continued)

Significant capitalized R&D projects

✔Applicable ☐Not applicable

Item	R&D progress	Expected completion time	Expected manner of generating economic benefits	Point at which capitalization commences	Specific basis
Project 1	95%	2026/12	It will be sold upon completion of the project's final acceptance.	2024/4	The research phase has been completed, the product is expected to be realized and bring in economic benefits, and the expenditures in the development phase can be accurately measured.
Project 2	90%	2026/12	It will be sold upon completion of the project's final acceptance.	2024/4	The research phase has been completed, the product is expected to be realized and bring in economic benefits, and the expenditures in the development phase can be accurately measured.
Project 3	95%	2026/12	It will be sold upon completion of the project's final acceptance.	2024/4	The research phase has been completed, the product is expected to be realized and bring in economic benefits, and the expenditures in the development phase can be accurately measured.
Project 4	70%	2026/11	It will be sold upon completion of the project's final acceptance.	2023/7	The research phase has been completed, the product is expected to be realized and bring in economic benefits, and the expenditures in the development phase can be accurately measured.
Project 5	70%	2026/12	It will be sold upon completion of the project's final acceptance.	2025/8	The research phase has been completed, the product is expected to be realized and bring in economic benefits, and the expenditures in the development phase can be accurately measured.

Impairment provision for development expenditures

☐Applicable ✔Not applicable

Other explanations

None

3. Significant purchased in-process R&D projects

☐Applicable ✔Not applicable

IX. CHANGES IN CONSOLIDATION SCOPE

1. Business combinations involving entities not under common control

☐Applicable ✔Not applicable

2. Business combination under common control

☐Applicable ✔Not applicable

3. Reverse acquisition

☐Applicable ✔Not applicable

4. Disposal of subsidiaries

Whether there are transactions or events involving loss of control of subsidiaries in the current period

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

Whether there is any disposal of investment in a subsidiary in stages through multiple transactions with loss of control in the current period

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

5. Changes in the scope of consolidation for other reasons

Explanation of changes in the scope of consolidation due to other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries) and related information:

☐Applicable ✔Not applicable

6. Other

☐Applicable ✔Not applicable

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the enterprise group

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding percentage (%) Direct	Indirect	Acquisition Method
Ningbo CRRC Times	Ningbo, Zhejiang	RMB 296,786,200	Ningbo, Zhejiang #2	Manufacturing	100	–	Directly established
CRRC Times Electronics	Zhuzhou, Hunan	RMB 80,000,000	Zhuzhou, Hunan #2	Manufacturing	100	–	Directly established
Shenyang CRRC Times	Shenyang, Liaoning	RMB 80,000,000	Shenyang, Liaoning #2	Manufacturing	70	–	Directly established
CRRC Times Semiconductor	Zhuzhou, Hunan	RMB 5,647,633,598	Zhuzhou, Hunan #2	Manufacturing	77.86	–	Directly established
Baoji CRRC Times	Baoji, Shaanxi	RMB 589,258,590	Baoji, Shaanxi #2	Manufacturing	100	–	Directly established
Taiyuan CRRC Times	Taiyuan, Shanxi	RMB 307,620,400	Taiyuan, Shanxi #2	Manufacturing	55	–	Directly established
Kunming CRRC Times Electric Equipment Co., Ltd. (“Kunming CRRC Electric”)	Kunming, Yunnan	RMB 55,000,000	Kunming, Yunnan #2	Manufacturing	100	–	Directly established
Hangzhou CRRC Times Electric Equipment Co., Ltd. (“Hangzhou CRRC Electric”)	Hangzhou, Zhejiang	RMB 75,000,000	Hangzhou, Zhejiang #2	Manufacturing	60	–	Directly established
Guangzhou CRRC Times Electric Technology Co., Ltd. (“Guangzhou CRRC Electric”)	Guangzhou, Guangdong	RMB 30,000,000	Guangzhou, Guangdong #2	Manufacturing	60	–	Directly established
Hong Kong CRRC Times Electric	Hong Kong	HKD856,952,000	Hong Kong	Investment holding	100	–	Directly established
Ningbo CRRC Electric	Ningbo, Zhejiang	RMB 200,000,000	Ningbo, Zhejiang #2	Manufacturing	55	–	Directly established
Chengdu CRRC Electric	Chengdu, Sichuan	RMB 30,000,000	Chengdu, Sichuan #2	Manufacturing	100	–	Directly established
Qingdao CRRC Electric	Qingdao, Shandong	RMB 100,000,000	Qingdao, Shandong #2	Manufacturing	45	–	Directly established
Shanghai CRRC Rail Transit Technology Co., Ltd. (“Shanghai CRRC Rail”)	Shanghai	RMB 50,000,000	Shanghai #2	Manufacturing	51	–	Directly established

X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the enterprise group (continued)

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding percentage (%) Direct	Indirect	Acquisition Method
CRRC Times Software	Zhuzhou, Hunan	RMB 100,000,000	Zhuzhou, Hunan #2	Software services	100	–	Directly established
Hunan CRRC Communication & Signal	Changsha, Hunan	RMB 549,000,000	Changsha, Hunan #2	Manufacturing	100	–	Directly established
Lanzhou CRRC Times Rail Transit Technology Co., Ltd. ("Lanzhou CRRC Times")	Lanzhou, Gansu	RMB 50,000,000	Lanzhou, Gansu #2	Manufacturing	51	–	Directly established
Shanghai CRRC SMD	Shanghai	RMB 720,000,000	Shanghai #2	Manufacturing	100	–	Directly established
CRRC Times Electric Australia Pty.Ltd. ("TimesAustralia")	Australia	AUD 290,000	Australia	Trade	100	–	Directly established
CRRC Times Electric USA, LLC ("TimesUSA")	United States	USD430,000	United States	Trade	100	–	Directly established
Chongqing CRRC Electric	Chongqing	RMB 150,000,000	Chongqing#2	Manufacturing	60	–	Directly established
FAW CRRC Electric Drive	Changchun, Jilin	RMB 500,000,000	Changchun, Jilin #2	Manufacturing	50	–	Directly established
Yixing CRRC Times Semiconductor Co., Ltd. ("Yixing Semiconductor")	Wuxi, Jiangsu	RMB 3,600,000,000	Wuxi, Jiangsu #2	Manufacturing	–	100	Directly established
Hefei CRRC Times Semiconductor Co., Ltd. ("Hefei Semiconductor")	Hefei, Anhui	RMB 310,000,000	Hefei, Anhui #2	Manufacturing	–	100	Directly established
Hunan CRRC Electric Drive	Zhuzhou, Hunan	RMB 1,000,000,000	Zhuzhou, Hunan #2	Manufacturing	83.30	–	Directly established
Canada Dynex	Canada	CAD 37,096,192	Canada	Investment holding	100	–	Acquired through business combination not under common control
Dynex Semiconductor Limited	United Kingdom	GBP 15,000,000	United Kingdom	Manufacturing	–	100	Acquired through business combination not under common control

X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the enterprise group (continued)

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding percentage (%)		Acquisition Method
					Direct	Indirect	
SMD	United Kingdom	GBP 44,049,014	United Kingdom	Investment holding	–	100	Acquired through business combination not under common control
Soil Machine Dynamics Limited	United Kingdom	GBP 938,950	United Kingdom	Manufacturing	–	100	Acquired through business combination not under common control
SMD Offshore Support Limited	United Kingdom	GBP 2	United Kingdom	Trade	–	100	Acquired through business combination not under common control
SMD Robotics Limited	United Kingdom	GBP 1	United Kingdom	Trade	–	100	Acquired through business combination not under common control
SMD do Brasil Ltd	Brazil	Brazilian Real 100	Brazil	Trade	–	100	Acquired through business combination not under common control
Wuxi CRRC Electric Drive	Wuxi, Jiangsu	RMB 320,590,800	Wuxi, Jiangsu #2	Manufacturing	–	73.3	Acquired through business combination not under common control
CRRC National Converter Center	Zhuzhou, Hunan	RMB 890,600,000	Zhuzhou, Hunan #2	Manufacturing	100	–	Acquired through business combination under common control
Indonesia CRRC Times Electric Drive Technology Co., Ltd. ("Indonesia CRRC Times")	Indonesia	IDR 111,000,000,000	Indonesia	Manufacturing	51	49	Directly established

X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the enterprise group (continued)

Description of shareholding percentages in subsidiaries differing from voting right percentages:

See Note 1 and Note 2

Basis for controlling an investee while holding half or less of the voting rights, and for not controlling an investee while holding more than half of the voting rights:

Note 1: The Company considers that it controls Qingdao CRRC Electric Equipment Co., Ltd. (hereinafter referred to as "Qingdao CRRC Electric") even though it holds less than half of the voting rights. This is because the Company is the largest single shareholder of Qingdao CRRC Electric, holding 45% of its equity. Pursuant to the articles of association of Qingdao CRRC Electric, CRRC Qingdao Sifang Co., Ltd., a related party of the Company holding 38% of the equity of Qingdao CRRC Electric, has undertaken to act in concert with the Company when exercising its rights of proposal and voting on matters to be resolved at shareholders' meetings that affect the relevant operating activities of Qingdao CRRC Electric; the board of directors of Qingdao CRRC Electric consists of seven directors, four of whom are appointed by the Company, and resolutions of the board of directors are valid when passed by more than half of all directors.

Note 2: The Company considers that it controls FAW CRRC Electric Drive System Co., Ltd. (hereinafter referred to as "FAW CRRC") even though its shareholding percentage is only 50%, mainly because: pursuant to the articles of association of FAW CRRC, shareholders exercise voting rights at shareholders' meetings in proportion to their capital contributions, and resolutions of the shareholders' meeting must be passed by the unanimous consent of all shareholders; the board of directors consists of 5 directors, of whom 3 are appointed by the Company and 2 are appointed by FAW Equity; matters to be resolved by the board of directors are divided into ordinary resolutions and special resolutions, with ordinary resolutions passed with the consent of more than half of the directors, while special resolutions, which involve important decisions on the operation of FAW CRRC, must be passed with the consent of more than two-thirds of the directors; and for matters of FAW CRRC that fail to be passed at the shareholders' meeting or by the board of directors, if no agreement can be reached after consultation through the procedures agreed by both parties, the Company's handling opinion shall ultimately prevail. Therefore, the Company considers that it has control over FAW CRRC.

X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the enterprise group (continued)

For significant structured entities included in the scope of consolidation, the basis of control:

None

Basis for determining whether the Company is an agent or a principal:

None

Other explanations:

None

(2) Significant non-wholly-owned subsidiaries

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Minority shareholding Percentage (%)	Profit or loss attributable to minority shareholders for the current period	Dividends declared to minority shareholders in the current period	Balance of minority interests at end of period
CRRC Times Semiconductor	22.14%	46,838,360	–	2,656,661,087

Explanation where the shareholding percentage of minority shareholders in subsidiaries differs from their percentage of voting rights:

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3) Key financial information of significant non-wholly-owned subsidiaries

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Closing balance: Current assets	Closing balance: Non-current assets	Closing balance: Total assets	Closing balance: Current liabilities	Closing balance: Non-current liabilities	Closing balance: Total liabilities	Opening balance: Current assets	Opening balance: Non-current assets	Opening balance: Total assets	Opening balance: Current liabilities	Opening balance: Non-current liabilities	Opening balance: Total liabilities
CRRC Times Semiconductor	6,741,484,572	11,998,413,073	18,739,897,645	6,442,319,838	328,547,819	6,770,867,657	6,095,519,103	11,987,932,690	18,083,451,793	5,999,079,587	327,450,417	6,326,530,004

Name of subsidiary	Current period: Operating revenue	Current period: Net profit	Current period: Total comprehensive income	Current period: Cash flows from operating activities	Prior period: Operating revenue	Prior period: Net profit	Prior period: Total comprehensive income	Prior period: Cash flows from operating activities
CRRC Times Semiconductor	2,706,495,495	211,519,072	207,049,499	269,486,318	2,440,250,390	441,962,264	434,773,010	290,331,369

Other explanations:

None

(4) Material restriction on the use of the Group's assets and the settlement of the Group's liabilities

☐Applicable ✔Not applicable

(5) Financial support or other support provided to structured entities included in the scope of the consolidated financial statements:

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

X. INTERESTS IN OTHER ENTITIES (continued)

2. Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

✔Applicable ☐Not applicable

(1) Changes in the Group's interests in subsidiaries

✔Applicable ☐Not applicable

In April 2026, the Company paid Yuan 2,063,531 to the employee shareholding platform of CRRC Times Semiconductor to purchase the 0.02% equity interest it held in the subsidiary CRRC Times Semiconductor. After the above equity transfer, the Group's shareholding percentage in CRRC Times Semiconductor increased from 77.84% to 77.86%.

(2) Impact of transactions on non-controlling interests and equity attributable to owners of the parent

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	CRRC Times Semiconductor
Acquisition cost/disposal consideration	
– Cash	-2,063,531
– Fair value of non-cash assets	
Acquisition cost/disposal consideration	-2,063,531
Less: Share of net assets in subsidiaries based on the	-1,300,000
Difference	-763,531
Including: Adjustment to capital reserve	-763,531
Adjustment to surplus reserve	–
Adjustment to retained earnings	–

Other explanations

☐Applicable ✔Not applicable

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

	Closing balance/ Current period	Opening balance/ Prior period
Joint ventures:		
Total carrying amount of investments	243,634,336	246,859,827
Total of the following items calculated based on shareholding percentage		
– Net profit	-2,725,491	-4,742,029
– Total comprehensive income	-2,725,491	-4,742,029
Associates:		
Total carrying amount of investments	278,956,207	281,804,407
Total of the following items calculated based on shareholding percentage		
– Net profit	-2,848,200	-10,460,586
– Total comprehensive income	-2,848,200	-10,460,586

Other explanations

None

X. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in associates or joint ventures (continued)

(5) Description of significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

☐Applicable ✔Not applicable

(6) Excess losses incurred by joint ventures or associates

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of joint venture or joint venture	Accumulated unrecognized losses from previous periods	Unrecognized losses in the current period (or net profit shared in the current period)	Accumulated unrecognized losses at the end of this period
Zhejiang Era Orchid	1,089,996	1,422,962	2,512,958

Other instructions

Nothing

(7) Unrecognized commitments related to 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 scope of 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

XI. GOVERNMENT GRANTS

1. Government grants recognized at the amount receivable at the end of the reporting period

☐Applicable ✔Not applicable

Reasons for failure to receive the expected amount of government grants at the expected time

☐Applicable ✔Not applicable

2. Liability items involving government grants

☐Applicable ✔Not applicable

3. Government grants recognized in profit or loss for the current period

☐Applicable ✔Not applicable

Other explanations:

None

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS

1. Risks of financial instruments

✔Applicable ☐Not applicable

1. Category of financial instruments

The Group's principal financial instruments include cash and bank balances, held-for-trading financial assets, bills receivable, accounts receivable, receivables financing, other receivables, investments in other equity instruments, other current assets, non-current assets due within one year, long-term receivables, other non-current assets, bills payable, accounts payable, other payables, borrowings, long-term payables and lease liabilities. As of June 30, 2026, the financial instruments held by the Group were as follows, with details set out in Note VII. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The Group's management manages and monitors these risk exposures to ensure that the above risks are controlled within prescribed limits.

Unit: Yuan Currency: RMB

Item	Amount at end of period	Amount at beginning of period
Financial assets		
Measured at fair value through profit or loss		
Held-for-trading financial assets	**1,500,562,247**	1,000,300,274
Measured at fair value through other comprehensive income		
Receivables financing	**2,440,977,581**	3,693,354,480
Investments in other equity instruments	**285,062,700**	285,062,700
Measured at amortized cost		
Cash and bank balances	**5,015,037,603**	6,713,862,572
Bills receivable	**2,687,367,014**	5,294,265,231
Accounts receivable	**14,575,281,082**	12,257,442,840
Other receivables	**258,760,522**	233,930,619
Other current assets	**50,258,030**	150,471,951
Non-current assets due within one year	**3,019,312,038**	1,132,085,530
Long-term receivables	**–**	301,219
Other non-current assets	**7,977,680,724**	9,463,396,180
Financial liabilities		
Measured at amortized cost		
Short-term borrowings	**114,930,381**	40,972,638
Bills payable	**6,565,203,053**	8,703,157,466
Accounts payable	**8,398,450,207**	8,692,091,331
Other payables	**3,805,076,723**	3,741,622,316
Long-term borrowings (including long-term borrowings due within one year)	**48,790,868**	56,612,449
Lease liabilities (including lease liabilities due within one year)	**406,300,830**	433,124,534

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Financial instrument risks

The principal risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk. The Group's risk management policies are summarized as follows.

(1) Credit risk

The Group only trades with recognized and creditworthy third parties. In accordance with the Group's policy, credit reviews are required for all customers requesting to trade on credit terms. In addition, the Group continuously monitors the balances of receivables to ensure that the Group is not exposed to significant bad debt risk.

The Group's other financial assets mainly include cash and bank balances, bills receivable and other receivables. The credit risk of these financial assets arises from counterparty default, and the maximum exposure equals the carrying amounts of these instruments.

The Group's cash and bank balances are deposited with banks with relatively high credit ratings, and therefore carry only low credit risk.

The Group's major customers are subsidiaries of CRRC Corporation Limited and other state-owned enterprises in the rail transit industry. As the Group only trades with recognized and creditworthy third parties, no collateral is required. The Group has a specific concentration of credit risk. As of June 30, 2026 and December 31, 2025, 10.36% and 8.89% of the Group's accounts receivable and contract assets were derived from the largest customer. As of June 30, 2026 and December 31, 2025, 26.16% and 21.04% of the Group's accounts receivable and contract assets were derived from the top five customers.

For the Group's specific method of assessing whether credit risk has increased significantly since initial recognition, the basis for determining that a financial asset has become credit-impaired, the method of assessing expected credit risk on a portfolio basis, the direct write-off of financial assets and other policies, see Note V. 11. (2).

As part of the Group's credit risk management, the Group uses the aging of accounts receivable to assess the impairment losses on accounts receivable arising from various types of business. Such business involves a large number of customers with shared risk characteristics, and aging information can reflect the ability of such customers to pay when the accounts receivable fall due.

The expected average loss rate is based on historical actual bad debt rates, taking into account current conditions and forecasts of future economic conditions.

The Group reviews the recoverability of financial assets at each balance sheet date to ensure that adequate credit loss provisions have been made for the relevant financial assets. Therefore, the Group's management considers that the credit risk borne by the Group has been significantly reduced.

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Financial instrument risks (continued)

(2) Liquidity risk

The Group manages the risk of funding shortfalls using a recurring liquidity planning tool. This tool considers both the maturities of its financial instruments and the projected cash flows generated from the Group's operations.

The Group's objective is to maintain a balance between the continuity and flexibility of financing through financing means such as notes settlement and bank borrowings. The Group has obtained bank credit facilities from a number of commercial banks to meet working capital requirements and capital expenditures.

The Group's management has been monitoring the Group's liquidity position to ensure that sufficient liquid funds are available to meet financial obligations as they fall due, and to maximize the effectiveness of the Group's financial resources.

The following table summarizes the maturity analysis of financial liabilities based on undiscounted contractual cash flows:

June 30, 2026

Unit: Yuan Currency: RMB

	Amount at end of period					
Item	1 years or less	1 to 2 years	2 to 5 years	5 years or more	Total	Carrying amount
Short-term borrowings	118,274,382	–	–	–	118,274,382	114,930,381
Bills payable	6,565,203,053	–	–	–	6,565,203,053	6,565,203,053
Accounts payable	8,398,450,207	–	–	–	8,398,450,207	8,398,450,207
Other payables (excluding dividends payable)	3,829,181,473	–	–	–	3,829,181,473	3,805,076,723
Long-term borrowings (including long-term borrowings due within one year)	5,376,895	12,441,767	32,311,071	–	50,129,733	48,790,868
Lease liabilities (including lease liabilities due within one year)	147,612,784	68,548,905	107,256,879	162,813,248	486,231,816	406,300,830
Long-term payables						
Total	19,064,098,794	80,990,672	139,567,950	162,813,248	19,447,470,664	19,338,752,062

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Financial instrument risks (continued)

(3) Market risk

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's risk that the fair value of financial instruments will fluctuate due to changes in market interest rates relates primarily to the Group's fixed-rate borrowings, bonds payable, other current assets and long-term receivables. The Group's risk that the future cash flows of financial instruments will fluctuate due to changes in market interest rates relates primarily to the Group's liabilities bearing interest at floating rates.

The following table presents a sensitivity analysis of interest rate risk, reflecting the impact on net profit (through the impact on floating-rate borrowings) of reasonably possible changes in interest rates, assuming all other variables remain constant (taking into account the impact of capitalization of borrowing costs).

Unit: Yuan Currency: RMB

Item	January–June 2026		January–June 2025	
Floating borrowing interest rate	Increase of 100 basis points	Decrease of 100 basis points	Increase of 100 basis points	Decrease of 100 basis points
Net profit (decrease)/increase	-861,978	861,978	-459,122	459,122

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Financial instrument risks (continued)

(3) Market risk (continued)

Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The foreign exchange risk faced by the Group mainly relates to the Group's operating activities (when receipts and payments are settled in foreign currencies other than the functional currency).

The Group's business is mainly located in China, and the vast majority of transactions are settled in Yuan, while certain sales, procurement and borrowing transactions are settled in foreign currencies.

The Group's major foreign currency assets and liabilities are as follows:

Unit: Yuan

Item	Total assets at end of period	Total liabilities at end of period	Total assets at beginning of period	Total liabilities at beginning of period
Euro	219,785,638	20,789,194	232,271,530	73,355,567
US dollar	112,334,810	62,228,770	168,511,644	–
Hong Kong dollar	230,758,496	–	85,270,399	–
Mexican peso	95,824,723	–	12,750,292	87,000,230
Total	658,703,667	83,017,964	498,803,865	160,355,797

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Financial instrument risks (continued)

***(3) Market risk** (continued)*

Foreign exchange risk (continued)

The following table presents a sensitivity analysis of exchange rate risk, reflecting the impact on net profit of reasonably possible changes in the exchange rates of the Hong Kong dollar, British pound, Euro, US dollar, Australian dollar, Brazilian real, Mexican peso and Swiss franc, assuming all other variables remain constant.

Unit: Yuan

Item	Basis points at end of period Increase/(decrease)	Effect on profit for the current period Increase/(decrease)	Basis points at beginning of period Increase/(decrease)	Effect on profit for the prior period Increase/(decrease)
Hong Kong dollar				
Appreciation of Yuan against HKD	10%	-19,614,472	10%	-7,247,984
Depreciation of Yuan against HKD	-10%	19,614,472	-10%	7,247,984
Euro				
Appreciation of Yuan against EUR	10%	-16,914,698	10%	-13,507,857
Depreciation of Yuan against EUR	-10%	16,914,698	-10%	13,507,857
Mexican Peso				
Appreciation of Yuan against MXN	10%	-8,145,101	10%	-14,323,490
Depreciation of Yuan against MXN	-10%	8,145,101	-10%	14,323,490
USD				
Appreciation of Yuan against USD	10%	-4,259,013	10%	6,311,245
Depreciation of Yuan against USD	-10%	4,259,013	-10%	-6,311,245
GBP				
Appreciation of Yuan against GBP	10%	-1,215,430	10%	-2,358,541
Depreciation of Yuan against GBP	-10%	1,215,430	-10%	2,358,541
Australian dollar				
Appreciation of Yuan against AUD	10%	-780,191	10%	-781,619
Depreciation of Yuan against AUD	-10%	780,191	-10%	781,619
Brazilian Real				
Appreciation of Yuan against BRL	10%	-48,498	10%	/
Depreciation of Yuan against BRL	-10%	48,498	-10%	/
Swiss franc				
Appreciation of Yuan against CHF	10%	23,453	10%	-665,689
Depreciation of Yuan against CHF	-10%	-23,453	-10%	665,689

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Financial instrument risks (continued)

(3) Market risk (continued)

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, enabling it, through products and service prices and ensuring that financing is obtained at reasonable financing costs, so as to continuously provide returns to shareholders.

The Group regularly reviews and manages its capital structure, striving to achieve the most optimal capital structure and shareholder returns. The factors considered by the Group Factors include: the Group's future capital requirements, capital efficiency, actual and expected profitability, expected cash flows, expected capital expenditures, etc. If economic conditions change and affect the Group, the Group will adjust its capital structure.

The Group monitors the Group's capital structure through the debt-to-asset ratio. The debt-to-asset ratios as of June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026	December 31, 2025
Debt-to-asset ratio (%)	**35.25**	36.29

2. Hedging

(1) The Company conducts hedging business for risk management

☐Applicable ✔Not applicable

Other explanations

☐Applicable ✔Not applicable

(2) The Company conducts qualifying hedging business and applies hedge accounting

☐Applicable ✔Not applicable

Other explanations

☐Applicable ✔Not applicable

(3) The Company conducts hedging business for risk management and expects to achieve its risk management objectives but does not apply hedge accounting

☐Applicable ✔Not applicable

Other explanations

☐Applicable ✔Not applicable

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Transfer of financial assets

(1) Classification by method of transfer

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Method of transfer	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition	Basis for judgment of derecognition
Endorsement	Bank acceptance bills accepted by ordinary commercial banks	21,147,150	Not derecognized	Retained substantially all the risks and rewards of ownership of such endorsed bills receivable, including the related default risk.
Endorsement	Commercial acceptance bills	135,530,739	Not derecognized	Retained substantially all the risks and rewards of ownership of such endorsed bills receivable, including the related default risk.
Endorsement	Bank acceptance bills accepted by commercial banks with relatively high credit standing	598,513,582	Fully derecognized	The financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee.
Discounting	Bank acceptance bills accepted by commercial banks with relatively high credit standing	1,441,980,075	Fully derecognized	The financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee.
Total	/	2,197,171,546	/	/

XII. RISKS 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	Methods of transfer of financial assets	Amount of derecognized financial assets	Gains or losses related to derecognition
Bank acceptance bills	Endorsement	598,513,582	–
Bank acceptance bills	Discounting	1,441,980,075	3,899,461
Total	/	2,040,493,657	3,899,461

(3) Transferred financial assets with continuing involvement

☐Applicable ✔Not applicable

Other explanations

☐Applicable ✔Not applicable

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	Fair value at end of period Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
(I) Held-for-trading financial assets	–	1,500,562,247	–	1,500,562,247
(II) Receivables financing	–	2,440,977,581	–	2,440,977,581
(III) Investments in other equity instruments	–	–	285,062,700	285,062,700
Total assets continuously measured at fair value	–	3,941,539,828	285,062,700	4,226,602,528

2. Basis for determining the market prices of items continuously and non-continuously measured at Level 1 fair value

☐Applicable ✔Not applicable

XIII. DISCLOSURE OF FAIR VALUE (continued)

3. Qualitative and quantitative information on the valuation techniques and significant parameters used for continuous and non-continuous Level 2 fair value measurement items

✔Applicable ☐Not applicable

The fair value of held-for-trading financial assets is measured using the discounted cash flow method. Future cash flows are estimated based on expected returns and discounted at a rate reflecting the credit risk of the counterparty. The fair value of held-for-trading financial liabilities is measured using the discounted cash flow method. Future cash flows are estimated based on forward exchange rates (derived from forward exchange rates observable at the financial statement date) and contractual forward exchange rates, and are discounted at a rate reflecting the credit risk of the counterparty.

4. Qualitative and quantitative information on valuation techniques and significant parameters used for items continuously and non-continuously measured at Level 3 fair value

✔Applicable ☐Not applicable

The fair value of receivables financing and investments in other equity instruments is measured using the discounted cash flow method. The unobservable input for receivables financing is the discount rate; the unobservable inputs for investments in other equity instruments are the weighted average cost of capital and the long-term revenue growth rate.

5. For continuous Level 3 fair value measurement items, reconciliation information between the opening and closing carrying amounts and sensitivity analysis of unobservable parameters

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Investments in other equity instruments (unlisted equity instrument investments)
December 31, 2025	**285,062,700**
Purchases in the current period	–
June 30, 2026	**285,062,700**

XIII. DISCLOSURE OF FAIR VALUE (continued)

6. For continuous fair value measurement items, where transfers between levels occurred during the period, the reasons for the transfers and the policy for determining the timing of transfers

☐Applicable ✔Not applicable

7. Changes in valuation techniques during the current period and reasons for the changes

☐Applicable ✔Not applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

✔Applicable ☐Not applicable

For the Group's financial assets and financial liabilities measured at amortized cost, details of which are set out in Note VII.32 Long-term borrowings, etc., fair value is determined using the discounted future cash flow method, with the market yields of other financial instruments with similar contractual terms, credit risk and remaining maturities used as the discount rate. As of June 30, 2026 and December 31, 2025, the carrying amounts of the financial assets and financial liabilities measured at amortized cost in the Group's financial statements approximated their fair values.

9. Other

☐Applicable ✔Not applicable

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

1. The parent company of the enterprise

✔Applicable ☐Not applicable

Unit: Yuan 10,000 Currency: Yuan

Name of the parent company	Place of registration	Nature of business	Registered capital	Shareholding percentage of the parent company in the Company (%)	Percentage of voting rights of the parent company in the Company (%)
CRRC Zhuzhou Institute	Zhuzhou, Hunan	Research and development, manufacturing, and sales of rail transit products and equipment	912,684	44.55%	44.55%

Explanation of the parent company of the enterprise

CRRC Zhuzhou Institute and its controlled companies, hereinafter referred to as "CRRC Zhuzhou Institute Group".

The ultimate controlling party of the enterprise is CRRC Corporation Limited

Other explanations:

The ultimate controlling party of our company is CRRC Group Co., Ltd., which is a central directly affiliated enterprise directly managed by the State owned Assets Supervision and Administration Commission of the State Council. The Ultimate controlling party and its controlled companies, hereinafter referred to as the 'Ultimate controlling party Group'.

2. Subsidiaries of the enterprise

For details of the subsidiaries of the enterprise, please refer to the Notes

✔Applicable ☐Not applicable

The subsidiary of the Company are detailed in Note X. INTERESTS IN OTHER ENTITIES – 1. Interests in subsidiaries.

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

3. Joint ventures and associates of the enterprise

For details of the significant joint ventures or associates of the enterprise, please refer to the Notes

✔Applicable ☐Not applicable

Please refer to Note X. INTERESTS IN OTHER ENTITIES – 3. Equity in associates or joint ventures for the details of our company's joint ventures or associates.

Other joint ventures or associates that had related-party transactions with the Company during the current period, or that had related-party transactions with the Company in prior periods resulting in balances, are as follows

☐Applicable ✔Not applicable

4. Other related parties

✔Applicable ☐Not applicable

Names of other related parties	Relationship between other related parties and the Company
Shenzhen CRRC Railway Vehicles Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Changzhou Langrui Dongyang Transmission Technology Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Dalian Toshiba Locomotive Electrical Equipment Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Changchun Changke Alstom Rail Vehicle Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Shenyang CRRC Rail Transit Equipment Co., Ltd. (Income Statement from January to November)	Joint venture of controlling party group other than CRRC Zhuzhou Group
Zhuzhou Electric Vehicle Demonstration Operation Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Taiyuan Tieche Economic and Trade Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Guangzhou Electric Locomotive Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Taiyuan Yingfeng Locomotive and Rolling Stock Casting Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Datong Simaiken Rail Transit Equipment Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
Nanjing Rail Transit Industry Development Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Qingdao Metro Rail Transit Intelligent Maintenance Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Chengdu Changke Xinzhu Rail Transit Equipment Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Tianjin Electric Locomotive Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Guangzhou Junfa Electrical Equipment Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Zhuzhou Jiufang Casting Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Datong ABB Traction Transformer Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Beijing Beijiufang Rail Transit Technology Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Shanghai Alstom Transportation Electric Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Beijing Sifang Tongchuang Rail Transit Equipment Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Taizhou Changxing Rail Transit Operation Management Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
Beijing Nankou SKF Railway Bearing Co., Ltd	Joint venture of controlling party group other than CRRC Zhuzhou Group
CRRC Erqi Culture and Technology (Beijing) Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Qishuyan Locomotive and Rolling Stock Technology Research Institute Co., Ltd. Technical Service Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Guangzhou CRRC Rail Transit Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Zhuzhou Electric Locomotive Co., Ltd. Locomotive Operation Guarantee Service Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
CRRC Logistics Co., Ltd. Beijing Yigou Technology Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Hefei CRRC Rail Transit Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Xi'an CRRC Yongdian Intelligent Drive Co., Ltd. Yongji Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Shuzhi Technology (Xiongan) Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Chengdu CRRC Motor Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Beijing CRRC Changke Erqi Rail Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Tianjin CRRC Tangche Railway Vehicles Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Jiangxi CRRC Changke Railway Vehicles Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Qingdao CRRC Times New Energy Materials Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Hunan CRRC Environmental Engineering Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Ziyang Locomotive Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Xi'an CRRC Yongdian Electric Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Kuala Lumpur Maintenance Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Changchun CRRC Changke Urban Rail Transit Equipment Service Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Zhicheng Cultural Technology (Beijing) Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Qishuyan Locomotive and Rolling Stock Technology Research Institute Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Jiangsu CRRC Electromechanical Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Shanghai CRRC Ruibode Intelligent Systems Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Zhuzhou Motor Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
CRRC Logistics Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Luoyang Locomotive Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Information Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Dalian Locomotive Research Institute Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Hong Kong Capital Management Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Taiyuan Locomotive and Rolling Stock Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Nanjing CRRC Logistics Service Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Zhuzhou Electric Locomotive Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Beijing CRRC Intelligent Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Asset Management Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Qishuyan Locomotive Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Qingdao CRRC Sifang Rail Equipment Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Zhuzhou Shidai Ruiwei Vibration Reduction Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Qingdao Sifang Locomotive and Rolling Stock Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Times Electric Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Zhuzhou CRRC Logistics Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Datong Electric Locomotive Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Wuhan CRRC Zhuzhou Railway Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Chengdu CRRC Rail Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Massachusetts	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
Zhuzhou Times New Materials Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Bogo Rubber and Plastic (Zhuzhou) Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Tianjin CRRC Vehicle Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Changzhou CRRC Ruitai Equipment Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Beijing CRRC Saide Railway Electrical Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Changzhou CRRC Diesel Engine Parts Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Qingdao Camax Buffer Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Meishan CRRC Fastener Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC ZELC Verkehrstechnik GmbH	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Ningbo CRRC New Energy Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Hunan CRRC Shangqu Electric Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Qingdao Sifang Vehicle Research Institute Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Wharton Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Shandong Locomotive and Rolling Stock Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Xi’an CRRC Yongdian Jietong Electric Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Ziyang CRRC Electric Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Brake System Co., Ltd. Zhuzhou Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Beijing CRRC Testing and Certification Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
Ziyang CRRC Electric Locomotive Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Finance Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Industrial Research Institute Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Qingdao Sifang Alstom Railway Transportation Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Shanghai CRRC Shentong Rail Transit Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Zhengzhou CRRC Sifang Rail Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Fuzhou Tangche Rail Transit Intelligent Operation and Maintenance Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Nanjing Puzhen Vehicle Co., Ltd. Electrical Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Foshan CRRC Sifang Rail Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Zhuzhou Electric Locomotive Co., Ltd. Maintenance Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Xi’an Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Xi’an CRRC Changke Railway Vehicles Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Changchun Rail Transit Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Nanjing Puzhen Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Kunming CRRC Rail Transit Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Jinhua CRRC Railway Vehicles Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Tangshan Locomotive and Rolling Stock Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Jiangsu CRRC Urban Development Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
Tianjin CRRC Railway Vehicles Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Wenzhou CRRC Sifang Rail Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Dalian Locomotive and Rolling Stock Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Chongqing CRRC Changke Railway Vehicles Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Jiangsu CRRC Hydrogen Core Power Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Shenyang CRRC Rail Transit Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Chengdu Locomotive and Rolling Stock Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Shanghai CRRC Changke Rail Transit Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Urumqi CRRC Rail Transit Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Shanghai CRRC Shentong Changke Rail Transit Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Urban Transportation Planning and Design Institute Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Ningbo CRRC Rail Transit Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Tianjin CRRC Sifang Rail Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Shijiazhuang CRRC Rail Transit Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Ningbo CRRC Zhiwei Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Environmental Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Chongqing CRRC Rail Equipment Maintenance Service Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Zhejiang CRRC Tram Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Chongqing Hengtong Bus Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
Changsha CRRC Zhiyu New Energy Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Changde CRRC New Energy Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Hangzhou CRRC Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Shenyang Locomotive and Rolling Stock Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Chengdu CRRC Sifang Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Guangdong Rail Transit Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Jinan CRRC Sifang Rail Transit Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Lanzhou Locomotive Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC New infrastructure Investment and Development Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Wuxi Jixing New Energy Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Harbin Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Qingdao Borui Zhiyuan Vibration Reduction Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Nanjing CRRC Puzhen Urban Rail Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Quanzhou CRRC Tangche Rail Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Mexico Hong Kong Rail Transit Services Limited	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Shenyang CRRC Zetong Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Changjiang Tongling Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Shenyang Locomotive and Rolling Stock Co., Ltd. Brake Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Xi’an CRRC Yongdian Intelligent Drive Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
CRRC Zhuzhou Electric Locomotive Co., Ltd. Intelligent Equipment Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Qingdao CRRC Sifang Rail Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Qingdao CRRC New Energy Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Commercial Factoring Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Nanjing CRRC Puzhen Haitai Brake Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Shijiazhuang Guoxiang Transportation Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Hangzhou CRRC Metro Equipment Maintenance Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Wuhan CRRC Electric Traction Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Dalian Electric Traction R&D Center Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Shijiazhuang Vehicle Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Shenyang CRRC Yongdian Railway Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC KUALA LUMPUR MAINTENANCE SDN B	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC International Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Anhui CRRC Puzhen Urban Rail Transit Operation and Maintenance Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC (Hong Kong) Limited	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Meishan CRRC Brake Technology Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Yongji Motor Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Luoyang CRRC Rail Transit Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
Nanning CRRC Rail Transit Equipment Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Times Electric Vehicle Co., Ltd. System Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Corporation Limited	Controlling shareholders of CRRC ZELRI
National High Speed Train Qingdao Technology Innovation Center	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CSR Investment Management Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Changzhou CRRC Training Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
BOGE Elastmetall GmbH	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Changchun CRRC Railway Vehicles Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Brake System Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Zhuzhou CRRC Tianli Forging Industry Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Zhuzhou Electric Locomotive Co., Ltd. Electrical Equipment Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Harbin Vehicle Co., Ltd. Shuangsheng Branch	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Cangzhou CRRC Zhuzhou Railway Equipment Service Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Zhuzhou Locomotive Co., Ltd.Sin	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
Century Huayang Environmental Engineering Co., Ltd	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group
CRRC Zhuzhou Electric Locomotive Research Institute Co., Ltd. Wind Power Division	CRRC Zhuzhou Institute
Comprehensive Energy Division of CRRC Zhuzhou Electric Locomotive Research Institute Co., Ltd	CRRC Zhuzhou Institute

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
CRRC Zhuzhou Electric Locomotive Research Institute Co., Ltd	CRRC Zhuzhou Institute
Fuzhou Jintou Intelligent Rail Transit Equipment Co., Ltd	Joint venture company of CRRC Zhuzhou Institute
Sichuan CRRC Railway Investment Rail Transit Co., Ltd	Joint venture company of CRRC Zhuzhou Institute
Ningbo Jiangbei Jiufang Herong Electric Co., Ltd	Joint venture company of CRRC Zhuzhou Institute
Zhuzhou Guochuang Rail Technology Co., Ltd	Joint venture company of CRRC Zhuzhou Institute
Hunan Motor Vehicle Testing Technology Co., Ltd	Joint venture company of CRRC Zhuzhou Institute
Zhuzhou Yuhuo New Energy Co., Ltd	Companies controlled by CRRC Zhuzhou Joint Venture
Liling Xinxin New Energy Co., Ltd	Companies controlled by CRRC Zhuzhou Joint Venture
Guizhou Times Green Equipment Co., Ltd	Companies controlled by CRRC Zhuzhou Joint Venture
Nanning Shidai Juneng Electrical Equipment Co., Ltd	Companies controlled by CRRC Zhuzhou Joint Venture
Linfen Yihui Era New Energy Co., Ltd	Companies controlled by CRRC Zhuzhou Joint Venture
Qujing Yihui New Energy Co., Ltd	Companies controlled by CRRC Zhuzhou Joint Venture
Zhangye Yihui New Energy Co., Ltd	Companies controlled by CRRC Zhuzhou Joint Venture
Jixi CRRC New Energy Equipment Co., Ltd	Companies controlled by CRRC Zhuzhou
Xiangyang CRRC Motor Technology Co., Ltd. Zhuzhou Electromagnetic Technology Branch	Companies controlled by CRRC Zhuzhou
Shanghai CRRC Hange Shipbuilding and Ocean Engineering Co., Ltd	Companies controlled by CRRC Zhuzhou

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

4. Other related parties (continued)

Names of other related parties	Relationship between other related parties and the Company
Tianjin CRRC Wind Energy Technology Co., Ltd	Companies controlled by CRRC Zhuzhou
Yibin CRRC Times New Energy Co., Ltd	Companies controlled by CRRC Zhuzhou
Ningxia CRRC New Energy Co., Ltd. Haiyuan Branch	Companies controlled by CRRC Zhuzhou
Ningxia CRRC New Energy Co., Ltd	Companies controlled by CRRC Zhuzhou
Zhuzhou CRRC Electromechanical Technology Co., Ltd	Companies controlled by CRRC Zhuzhou
Wuxi CRRC Times Intelligent Equipment Research Institute Co., Ltd	Companies controlled by CRRC Zhuzhou
Xiangyang CRRC Motor Technology Co., Ltd	Companies controlled by CRRC Zhuzhou
China Railway Inspection and Certification Zhuzhou Traction Electrical Equipment Inspection Station Co., Ltd	Companies controlled by CRRC Zhuzhou
Hunan CRRC Zhixing Technology Co., Ltd	Companies controlled by CRRC Zhuzhou
Hunan Li Action Li Technology Co., Ltd	Companies controlled by CRRC Zhuzhou
Gansu CRRC Wind Energy Technology Co., Ltd	Companies controlled by CRRC Zhuzhou
Beijing CRRC Heavy Industry Machinery Co., Ltd	Companies controlled by CRRC Zhuzhou
Guangxi CRRC New Energy Equipment Co., Ltd	Companies controlled by CRRC Zhuzhou

Other explanations

Nothing

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

5. Details of related-party transactions

(1) Related-party transactions involving the purchase and sale of goods and the provision and receipt of services

Table of purchases of goods/services received

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Related parties	Content of related-party transactions	Current period	Prior period
Joint venture of controlling party group other than CRRC Zhuzhou Group	Purchase goods	**11,532,365**	439,548
Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	Purchase goods	**481,538**	1,042,054
Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	Accepting labor services	**3,815,130**	2,108,317
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	Purchase goods	**313,823,783**	366,328,717
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	Accepting labor services	**35,857,438**	22,935,348
Joint ventures of the Company	Purchase goods	**39,748,519**	37,496,067
Associates of the Company	Purchase goods	**1,925,700**	14,791,300
Associates of the Company	Accepting labor services	**115,229**	4,479,831
Companies controlled by CRRC Zhuzhou	Purchase goods	**148,314,514**	336,953,213
Companies controlled by CRRC Zhuzhou	Accepting labor services	**4,479,322**	5,426,569
CRRC Zhuzhou Institute	Purchase goods	**2,469,027**	–
CRRC Zhuzhou Institute	Accepting labor services	**22,538,208**	22,440,613
Joint venture company of CRRC Zhuzhou Institute	Purchase goods	**23,406,713**	8,362,451
Affiliated companies of CRRC Zhuzhou Institute	Purchase goods	**29,108,541**	–
Affiliated companies of CRRC Zhuzhou Institute	Accepting labor services	**511,415**	64,407
Companies controlled by CRRC Zhuzhou Joint Venture	Purchase goods	**3,039,800**	–
Total		**641,167,242**	822,868,435

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

5. Details of related-party transactions (continued)

***(1) Related-party transactions involving the purchase and sale of goods and the provision and receipt of services** (continued)*

Statement of sales of goods/rendering of services

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Related parties	Content of related-party transactions	Current period	Prior period
Joint venture of controlling party group other than CRRC Zhuzhou Group	Selling goods	**87,829,534**	86,208,966
Joint venture of controlling party group other than CRRC Zhuzhou Group	Providing labor services	**150,670**	1,526,549
Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	Selling goods	**4,377,930**	2,853,489
Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	Providing labor services	**9,180,000**	6,550,000
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	Selling goods	**3,557,336,292**	3,375,345,941
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	Providing labor services	**855,265,645**	1,109,499,502
Joint ventures of the Company	Selling goods	**41,158,478**	57,133,451
Joint ventures of the Company	Providing labor services	**1,350,000**	1,350,000
Associates of the Company	Selling goods	**57,291,858**	36,212,266
Associates of the Company	Providing labor services	**450,000**	450,000
Companies controlled by CRRC Zhuzhou	Selling goods	**69,631,713**	32,719,416
Companies controlled by CRRC Zhuzhou	Providing labor services	**3,436,934**	931,271
CRRC Zhuzhou Institute	Selling goods	**78,970,052**	200,027,933
CRRC Zhuzhou Institute	Providing labor services	**3,658,998**	213,035
Companies controlled by CRRC Zhuzhou Joint Venture	Selling goods	**-10,627,033**	21,478,073
Total		**4,759,461,071**	4,932,499,892

Explanation of related-party transactions involving the purchase and sale of goods and the provision and receipt of services

☐Applicable ✔Not applicable

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

5. Details of related-party transactions (continued)

(2) Related-party entrusted management/contracting and entrusted management/outsourcing

Table of entrusted management/contracting undertaken by the Company:

☐Applicable ✔Not applicable

Description of related-party custody/contracting

☐Applicable ✔Not applicable

Table of management entrusted/contracted out by the Company:

☐Applicable ✔Not applicable

Description of related-party management/outsourcing

☐Applicable ✔Not applicable

(3) Related-party leases

The Company as lessor:

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of lessee	Lease income recognized in the current period	Lease income recognized in the prior period
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	–	872,702
Our company's affiliated companies	18,000	–
CRRC Zhuzhou Institute	5,181,080	2,790,187
Companies controlled by CRRC Zhuzhou	2,365,603	2,365,603
Companies controlled by CRRC Zhuzhou Joint Venture	3,537,343	4,913,489
Total	11,102,026	10,941,981

The Company as lessee:

✔Applicable ☐Not applicable

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

5. Details of related-party transactions (continued)

(3) Related-party leases (continued)

Unit: Yuan Currency: RMB

Name of lessor	Current period: Rental expenses for short-term leases and leases of low-value assets under simplified treatment (if applicable)	Current period: Variable lease payments not included in the measurement of lease liabilities (if applicable)	Current period: Rent paid	Current period: Interest expense on lease liabilities assumed	Current period: Additions to right-of-use assets	Prior period: Rental expenses for short-term leases and leases of low-value assets under simplified treatment (if applicable)	Prior period: Variable lease payments not included in the measurement of lease liabilities (if applicable)	Prior period: Rent paid	Prior period: Interest expense on lease liabilities assumed	Prior period: Additions to right-of-use assets
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	5,934	5,934	4,555,193	198,674	4,465,862	648,784	648,784	3,870,334	237,775	8,801,068
Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	–	–	132,110	–	–	–	–	–	373	131,737
CRRC Zhuzhou Institute	–	–	1,184,675	47,661	1,761,841	147,958	147,958	459,454	15,344	–
Companies controlled by CRRC Zhuzhou	230,807	230,807	152,281	28,739	2,285,095	8,571	8,571	313,516	6,666	584,478
Joint venture of controlling party group other than CRRC Zhuzhou Group	13,585	13,585	884,696	62,583	–	–	–	–	–	–
Total	250,326	250,326	6,908,955	337,657	8,512,798	805,313	805,313	4,643,304	260,158	9,517,283

Description of related-party leases

☐Applicable ✔Not applicable

(4) Related-party guarantees

The Company as guarantor

☐Applicable ✔Not applicable

The Company as guaranteed party

☐Applicable ✔Not applicable

Description of related-party guarantees

☐Applicable ✔Not applicable

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

5. Details of related-party transactions (continued)

(5) Borrowing and lending of funds with related parties

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Related parties	Borrowing/ lending amount	Start date	Maturity date	Explanation
Borrowed				
CRRC Zhuzhou Institute	1,094,607,778	2025-3-21	2027-3-17	Annual interest rate 2.00%
CRRC Zhuzhou Institute	3,001,667	2025-3-21	2027-3-19	Annual interest rate 2.00%
CRRC Zhuzhou Institute	3,001,667	2026-3-27	2027-3-25	Annual interest rate 2.00%
CRRC Zhuzhou Institute	140,488,006	2025-12-29	2026-12-25	Annual interest rate 2.00%
Controlling shareholder of CRRC ZELRI	48,790,868	2015-9-29	2030-9-28	Annual interest rate1.08%

(6) Asset transfers and debt restructurings with related parties

☐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	**7,574,538**	4,786,311

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

5. Details of related-party transactions (continued)

(8) Other related-party transactions

✔Applicable ☐Not applicable

Cash at bank balances

Unit: Yuan Currency: RMB

Unit name	Closing balance	Opening balance
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	15,567,385	14,687,473

Non-current assets due within one year (time deposits)

Unit: Yuan Currency: RMB

Unit name	Closing balance	Opening balance
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	1,968,924,657	–

Other non-current assets (time deposits)

Unit: Yuan Currency: RMB

Unit name	Closing balance	Opening balance
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	–	1,945,369,863

interest income

Unit: Yuan Currency: RMB

Unit name	Current period	Prior period
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	23,554,794	23,215,198

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

5. Details of related-party transactions (continued)

(8) Other related-party transactions (continued)

Interest expense

Unit: Yuan Currency: RMB

Unit name	Current period	Prior period
Controlling shareholders of CRRC ZELRI	275,520	336,946
CRRC Zhuzhou Institute	12,458,845	–
Total	12,734,365	336,946

Energy procurement from related parties

Unit: Yuan Currency: RMB

Unit name	Current period	Prior period
Companies controlled by CRRC ZELRI	–	150,000
Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	624,893	662,414
Total	624,893	812,414

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

6. Unsettled items such as receivables from and payables to related parties

(1) Receivables

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Project name	Related parties	Closing balance	Opening balance
Bills receivable	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	**1,767,308,060**	3,510,569,098
Bills receivable	Joint venture of controlling party group other than CRRC Zhuzhou Group	**–**	100,100,126
Bills receivable	Joint venture of controlling party group other than CRRC Zhuzhou Group	**149,359,968**	186,152,519
Bills receivable	CRRC Zhuzhou Institute	**62,141,998**	206,958,573
Accounts receivable (including long-term receivables)	Joint venture of controlling party group other than CRRC Zhuzhou Group	**99,417,631**	202,820
Accounts receivable (including long-term receivables)	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	**16,556,946**	23,403,649
Accounts receivable (including long-term receivables)	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	**6,514,668,562**	4,147,503,099
Accounts receivable (including long-term receivables)	Joint venture of the Company	**54,405,537**	46,899,150
Accounts receivable (including long-term receivables)	Associates of the Company	**73,432,415**	80,791,911
Accounts receivable (including long-term receivables)	Companies controlled by CRRC Zhuzhou	**150,061,061**	137,181,758
Accounts receivable (including long-term receivables)	CRRC Zhuzhou Institute	**191,859,736**	202,349,438
Accounts receivable (including long-term receivables)	Joint venture company of CRRC Zhuzhou Institute	**14,633,500**	–
Accounts receivable (including long-term receivables)	Affiliated companies of CRRC Zhuzhou Institute	**1,436,000**	1,436,000
Accounts receivable (including long-term receivables)	Companies controlled by CRRC Zhuzhou Joint Venture	**79,499,122**	84,229,235

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

6. Unsettled items such as receivables from and payables to related parties (continued)

(1) Receivables *(continued)*

Project name	Related parties	Closing balance	Opening balance
Prepayments	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	**4,774,704**	4,460,893
Prepayments	CRRC Zhuzhou Institute	**1,410**	1,410
Prepayments	Companies controlled by CRRC Zhuzhou	**14,067,315**	13,845,000
Prepayments	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	**10,324**	10,326
Prepayments	Joint venture of controlling party group other than CRRC Zhuzhou Group	**213,757**	–
Prepayments	Companies controlled by CRRC Zhuzhou Joint Venture	**–**	922,830
Contract assets	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	**210,335,269**	218,178,682
Contract assets	Associates of the Company	**1,265,000**	115,000
Contract assets	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	**1,356,858**	173,148
Contract assets	Joint venture of controlling party group other than CRRC Zhuzhou Group	**5,139,447**	5,139,447
Contract assets	Joint venture of the Company	**98,500**	98,500
Contract assets	Companies controlled by CRRC Zhuzhou	**988,354**	407,334

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

6. Unsettled items such as receivables from and payables to related parties (continued)

(1) Receivables *(continued)*

Project name	Related parties	Closing balance	Opening balance
Contract assets	CRRC Zhuzhou Institute	–	1,699,882
Contract assets	Companies controlled by CRRC Zhuzhou Joint Venture	1,937,235	11,835,471
Dividends receivable	Associates of the Company	–	240,000
Other receivables	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	–	10,000
Other receivables	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	21,982,832	21,159,454
Other receivables	Associates of the Company	179,340	–
Other receivables	Joint venture of the Company	477,000	–
Other receivables	CRRC Zhuzhou Institute	4,830,751	1,320,144
Other receivables	Joint venture of controlling party group other than CRRC Zhuzhou Group	432,611	428,611
Other receivables	Companies controlled by CRRC Zhuzhou	4,019,512	–
Other receivables	Companies controlled by CRRC Zhuzhou Joint Venture	19,264,833	18,880,833
Trade receivables financing	Joint venture of the Company	12,707,532	–
Trade receivables financing	Associates of the Company	23,267,627	4,473
Trade receivables financing	Joint venture of controlling party group other than CRRC Zhuzhou Group	97,138,745	96,662,235

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

6. Unsettled items such as receivables from and payables to related parties (continued)

(1) Receivables *(continued)*

Project name	Related parties	Closing balance	Opening balance
Trade receivables financing	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	**229,907,491**	366,416,250
Trade receivables financing	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	**343,213,717**	1,568,356,070
Trade receivables financing	CRRC Zhuzhou Institute	**59,540,265**	97,104,923
Trade receivables financing	Affiliated companies of CRRC Zhuzhou Institute	**44,143**	53,865
Trade receivables financing	Companies controlled by CRRC Zhuzhou	**33,697,208**	18,497,150
Other non-current assets (Non time deposits)	Joint venture of controlling party group other than CRRC Zhuzhou Group	**39,016,200**	39,016,200
Other non-current assets (Non time deposits)	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	**19,753,847**	18,909,432
Other non-current assets (Non time deposits)	CRRC Zhuzhou Institute	**141,731,961**	146,964,574
Other non-current assets (Non time deposits)	Associates of the Company	**–**	581,020
Other non-current assets (Non time deposits)	Companies controlled by CRRC Zhuzhou Joint Venture	**–**	6,724,985
Other non-current assets (Non time deposits)	Joint venture of the Company	**–**	1,155,565
Other non-current assets (Non time deposits)	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	**68,369**	523,896
Other non-current assets (Non time deposits)	Companies controlled by CRRC Zhuzhou	**203,940**	203,940

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

6. Unsettled items such as receivables from and payables to related parties (continued)

(2) Payables

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Project name	Related parties	**Closing balance**	Opening balance
Bills payable	Joint venture of controlling party group other than CRRC Zhuzhou Group	**–**	220,965
Bills payable	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	**17,844**	460,349
Bills payable	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	**97,411,027**	210,501,086
Bills payable	Companies controlled by CRRC Zhuzhou	**58,186,394**	139,308,888
Bills payable	Affiliated companies of CRRC Zhuzhou Institute	**–**	35,366
Bills payable	Joint venture company of CRRC Zhuzhou Institute	**2,138,536**	425,895
Accounts payable	Companies controlled by CRRC Zhuzhou Joint Venture	**–**	32,389,229
Accounts payable	Associates of the Company	**860,687**	17,352,985
Accounts payable	Joint venture of the Company	**19,572,134**	23,288,167
Accounts payable	Joint venture of the Company	**49,580,214**	71,137,677
Accounts payable	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	**517,414,862**	466,226,176

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

6. Unsettled items such as receivables from and payables to related parties (continued)

(2) Payables *(continued)*

Project name	Related parties	Closing balance	Opening balance
Accounts payable	Companies controlled by CRRC Zhuzhou Joint Venture	32,378,150	14,936,353
Accounts payable	Joint venture company of CRRC Zhuzhou Institute	42,409,013	9,602,514
Accounts payable	Associates of the Company	4,003,200	6,108,466
Accounts payable	Joint venture of controlling party group other than CRRC Zhuzhou Group	5,088,747	3,096,652
Accounts payable	Companies controlled by CRRC Zhuzhou	197,386,281	204,843,915
Accounts payable	Affiliated companies of CRRC Zhuzhou Institute	13,763,840	8,810,466
Accounts payable	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	3,426,897	6,919,342
Accounts payable	CRRC Zhuzhou Institute	2,790,000	–
Dividends payable	CRRC Zhuzhou Institute	408,259,410	–
Dividends payable	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	6,800,000	418,000
Other payables	CRRC Zhuzhou Institute	1,656,249,224	1,631,124,111
Other payables	Companies controlled by CRRC Zhuzhou	12,682,502	9,138,901
Other payables	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	–	32,910
Other payables	Joint venture of controlling party group other than CRRC Zhuzhou Group	–	20,000

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

6. Unsettled items such as receivables from and payables to related parties (continued)

(2) Payables (continued)

Project name	Related parties	Closing balance	Opening balance
Other payables	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	37,045,688	39,692,339
Other payables	Associates of the Company	440,534	2,285,732
Other payables	Joint venture of the Company	1,439,767	170,238
Other payables	Joint venture company of CRRC Zhuzhou Institute	273,252	–
Other payables	Affiliated companies of CRRC Zhuzhou Institute	330,569	756,557
Contract liabilities	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	28,822,628	18,656,409
Contract liabilities	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	4,193,314	4,104,819
Contract liabilities	Companies controlled by CRRC Zhuzhou	15,885,502	8,365,231
Contract liabilities	Joint venture of the Company	–	1,306,196
Contract liabilities	Associates of the Company	124,650	380,708
Contract liabilities	Companies controlled by CRRC Zhuzhou Joint Venture	13,351,587	14,159,292
Non-current liabilities due within one year	Controlling shareholders of CRRC ZELRI	–	4,605,816
Non-current liabilities due within one year	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	13,533,834	6,080,954
Non-current liabilities due within one year	Companies controlled by CRRC Zhuzhou	931,962	143,254

XIV. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (continued)

6. Unsettled items such as receivables from and payables to related parties (continued)

***(2) Payables** (continued)*

Project name	Related parties	Closing balance	Opening balance
Non-current liabilities due within one year	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	–	182,944
Non-current liabilities due within one year	Joint venture of controlling party group other than CRRC Zhuzhou Group	2,049,659	2,015,192
Non-current liabilities due within one year	CRRC Zhuzhou Institute	1,398,257	1,024,765
Long-term loans	Controlling shareholders of CRRC ZELRI	43,188,000	48,688,000
Lease liabilities	Companies controlled by ultimate controlling party other than CRRC Zhuzhou Group	679,589	3,824,809
Lease liabilities	CRRC Zhuzhou Institute	451,728	48,445
Lease liabilities	Companies controlled by CRRC Zhuzhou	1,514,828	140,144
Lease liabilities	Other than CRRC Zhuzhou Group, the ultimate controlling party Group's affiliated companies	–	52,107
Lease liabilities	Joint venture of controlling party group other than CRRC Zhuzhou Group	1,228,136	2,084,716

(3) Other items

☐Applicable ✔Not applicable

7. Commitments of related parties

☐Applicable ✔Not applicable

8. Other

☐Applicable ✔Not applicable

XV. SHARE-BASED PAYMENT

1. Equity instruments

(1) Details

☐Applicable ✔Not applicable

(2) Share options or other equity instruments outstanding at the end of the period

☐Applicable ✔Not applicable

2. Equity-settled share-based payments

☐Applicable ✔Not applicable

3. Cash-settled share-based payments

☐Applicable ✔Not applicable

4. Share-based payment expenses for the current period

☐Applicable ✔Not applicable

5. Modification and termination of share-based payments

☐Applicable ✔Not applicable

6. Other

☐Applicable ✔Not applicable

XVI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

✔Applicable ☐Not applicable

Significant external commitments existing at the balance sheet date, their nature and amounts

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Contracted but not yet recognized in the financial statements		
– Capital commitments	2,142,806,318	2,582,048,041
– Investments in associates/joint ventures	67,365,542	68,257,869
– Investments in subsidiaries	–	–
Total	2,210,171,860	2,650,305,910

2. Contingencies

(1) Significant contingencies existing at the balance sheet date

☐Applicable ✔Not applicable

(2) If the Company has no important contingencies that need to be disclosed, this shall also be stated:

☐Applicable ✔Not applicable

3. Other

☐Applicable ✔Not applicable

XVII. EVENTS AFTER THE BALANCE SHEET DATE

1. Significant non-adjusting events

☐Applicable ✔Not applicable

2. Profit distribution

✔Applicable ☐Not applicable

For profit distribution after the balance sheet date, see Note 42, Retained earning.

3. Sales returns

☐Applicable ✔Not applicable

4. Description of other events after the balance sheet date

☐Applicable ✔Not applicable

XVIII. OTHER IMPORTANT MATTERS

1. Correction of prior-period accounting errors

(1) Retrospective restatement method

☐Applicable ✔Not applicable

(2) Prospective application method

☐Applicable ✔Not applicable

XVIII. OTHER IMPORTANT MATTERS (continued)

2. Significant debt restructuring

☐Applicable ✔Not applicable

3. Asset swap

(1) Exchange of non-monetary assets

☐Applicable ✔Not applicable

(2) Other asset swaps

☐Applicable ✔Not applicable

4. Annuity plan

☐Applicable ✔Not applicable

5. Discontinued operations

☐Applicable ✔Not applicable

6. Segment information

(1) Basis for determining reporting segments and accounting policies

✔Applicable ☐Not applicable

The Group mainly provides rail transit equipment and emerging equipment products and services to the market and operates as a whole, with a unified internal organizational structure, management evaluation system and internal reporting system. Management allocates resources and evaluates performance by regularly reviewing financial information at the company level. The Group had no separately managed operating segments during the reporting period; therefore, the Group has only one operating segment.

XVIII. OTHER IMPORTANT MATTERS (continued)

6. Segment information (continued)

(2) Financial information of reporting segments

✔Applicable ☐Not applicable

Geographical information:

External transaction revenue by source of revenue and non-current assets by location of assets are as follows:

Revenue from external transactions

Unit: Yuan Currency: RMB

Item	Semi-annual 2026	Inter-segment elimination	Total
Chinese mainland	12,125,404,485	–	12,125,404,485
Other countries and regions	945,114,841	–	945,114,841
Total	13,070,519,326	–	13,070,519,326

Total non-current assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Chinese mainland	19,340,277,239	19,182,786,225
Other countries and regions	301,942,488	311,666,763
Total	19,642,219,727	19,494,452,988

Note: Non-current assets are attributed to the region where the assets are located, excluding financial assets and deferred tax assets.

XVIII. OTHER IMPORTANT MATTERS (continued)

6. Segment information (continued)

(2) Financial information of reporting segments *(continued)*

Information on major customers

Revenue from the Group's major customer, CRRC Group Co., Ltd. and its subsidiaries (hereinafter referred to as "CRRC Group"), accounts for a relatively large proportion of the Group's total revenue, as set out below:

Unit: Yuan Currency: RMB

Customer	Current period Amount	Current period Percentage of consolidated revenue (%)	Prior period Amount	Prior period Percentage of consolidated revenue (%)
CRRC Group	**4,568,299,634**	**34.95**	4,724,765,590	38.68

(3) If the Company has no reportable segments, or is unable to disclose the total assets and total liabilities of each reportable segment, the reasons shall be explained

☐Applicable ✔Not applicable

(4) Other explanations

☐Applicable ✔Not applicable

7. Other significant transactions and matters that have an impact on investors' decisions

☐Applicable ✔Not applicable

8. Other

✔Applicable ☐Not applicable

XVIII. OTHER IMPORTANT MATTERS (continued)

8. Other (continued)

Other financial information

(1) Net current assets and total assets less current liabilities

Unit: Yuan Currency: RMB

Item	June 30, 2026 The Group	June 30, 2026 The Company	December 31, 2025 The Group	December 31, 2025 The Company
Net current assets	**18,628,447,161**	**13,883,839,578**	17,289,832,294	12,521,230,900
Total assets less current liabilities	**47,605,019,378**	**38,869,644,787**	47,533,893,136	38,967,937

(2) Contributions payable to pension plans

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Contributions to pension plans (Note)	**218,536,820**	178,463,751

As of June 30, 2026 and December 31, 2025, the Group had no forfeited contributions available to reduce its contributions to the pension plans in future years.

Note: Employees of the Company and its subsidiaries operating within the PRC are required to participate in a defined contribution central pension scheme administered by local governments, and employees of subsidiaries operating outside the PRC are required to participate in similar pension schemes recognized in the relevant jurisdictions. The Group is required to calculate and make contributions under such schemes at certain percentages of its employees' salary costs to the central pension scheme (in the case of the Company and subsidiaries operating within the PRC) and to similar pension schemes recognized in the relevant jurisdictions (in the case of subsidiaries operating outside the PRC). Contributions are deducted in the consolidated income statement when they become payable in accordance with the rules of such schemes.

XVIII. OTHER IMPORTANT MATTERS (continued)

8. Other (continued)

Calculation process of basic earnings per share and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding Calculation:

Unit: Yuan Currency: RMB

Item	2026 semi-annual	2025 semi-annual period
Net profit for the year attributable to ordinary shareholders	**1,712,297,377**	1,671,501,854
Number of ordinary shares outstanding during the current period	**1,366,577,178**	1,381,777,412
Basic earnings per share (Yuan Yuan/share)	**1.25**	1.21

(2) Diluted earnings per share

The Company had no potential ordinary shares or dilutive securities during the reporting period; therefore, diluted earnings per share equal basic earnings per share.

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Disclosure by aging

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 6 months	**8,596,204,640**	6,729,151,015
6 months to 1 year	**2,008,564,259**	1,209,831,176
Subtotal within 1 year	**10,604,768,899**	7,938,982,191
1 to 2 years	**649,281,865**	600,560,080
2 to 3 years	**343,354,263**	276,142,362
Over 3 years	**265,135,433**	347,340,912
Total	**11,862,540,460**	9,163,025,545
Less: credit impairment losses	**884,344,912**	745,141,925
Carrying amount	**10,978,195,548**	8,417,883,620

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosure by method of Credit loss allowance

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance			Gross carrying amount		Credit loss allowance		
	Amount	Percentage (%)	Amount	Provision ratio (%)	Book Value	Amount	Percentage (%)	Amount	Provision ratio (%)	Book Value
Credit loss allowance made on an individual basis	59,793,191	0.50	59,793,191	100.00	–	60,033,407	0.66	60,033,407	100.00	–
Credit loss allowance made on a portfolio basis	11,802,747,269	99.50	824,551,721	6.99	10,978,195,548	9,102,992,138	99.34	685,108,518	7.53	8,417,883,620
Including:										
Receivables from central state-owned enterprise customers other than China State Railway Group	9,524,063,585	80.29	255,042,814	2.68	9,269,020,771	7,292,683,366	79.58	160,442,902	2.20	7,132,240,464
Receivables from local government or local state-owned enterprise customers	1,756,667,703	14.81	516,169,496	29.38	1,240,498,207	1,344,980,528	14.68	462,574,365	34.39	882,406,163
Receivables from China State Railway Group	144,689,428	1.22	78,449	0.05	144,610,979	43,720,085	0.48	22,134	0.05	43,697,951
Receivables from other customers	377,326,553	3.18	53,260,962	14.12	324,065,591	421,608,159	4.60	62,069,117	14.72	359,539,042
Total	11,862,540,460	100.00	884,344,912	/	10,978,195,548	9,163,025,545	100.00	745,141,925	/	8,417,883,620

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosure by method of Credit loss allowance (continued)

Credit loss allowance made on an individual basis:

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance Book balance	Credit loss allowance	Provision ratio (%)	Reason for provision
Customer 122664	26,866,792	26,866,792	100.00	Low probability of recovery
Customer 124285	16,035,328	16,035,328	100.00	Low probability of recovery
Other	16,891,071	16,891,071	100.00	Low probability of recovery
Total	59,793,191	59,793,191	100.00	/

Explanation of Credit loss allowance made on an individual basis:

☐Applicable ✔Not applicable

Credit loss allowance made on a portfolio basis:

✔Applicable ☐Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosure by method of Credit loss allowance *(continued)*

Items provided on a portfolio basis: receivables from central state-owned enterprise customers other than China State Railway Group

Unit: Yuan Currency: RMB

Name	Closing balance Gross carrying amount	Credit loss allowance	Provision ratio (%)
Within 6 months	7,429,616,045	126,798,191	1.71
6 months to 1 year	1,557,176,295	38,711,148	2.49
1 to 2 years	312,939,756	19,685,162	6.29
2 to 3 years	132,795,694	22,743,620	17.13
Over 3 years	91,535,795	47,104,693	51.46
Total	9,524,063,585	255,042,814	

Explanation of credit loss allowance made on a portfolio basis:

☐Applicable ✔Not applicable

Items provided on a portfolio basis: receivables from local government or local state-owned enterprise customers

Unit: Yuan Currency: RMB

Name	Closing balance Gross carrying amount	Credit loss allowance	Provision ratio (%)
Within 6 months	810,534,335	148,296,944	18.30
6 months to 1 year	302,160,888	76,667,250	25.37
1 to 2 years	316,133,669	113,740,905	35.98
2 to 3 years	196,159,049	99,235,755	50.59
Over 3 years	131,679,762	78,228,642	59.41
Total	1,756,667,703	516,169,496	

Explanation of credit loss allowance made on a portfolio basis:

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosure by method of Credit loss allowance *(continued)*

Items provided on a portfolio basis: receivables from China State Railway Group

Unit: Yuan Currency: RMB

Name	Closing balance Gross carrying amount	Credit loss allowance	Provision ratio (%)
Within 6 months	140,939,955	71,351	0.05
6 months to 1 year	1,936,893	981	0.05
1 to 2 years	1,812,580	6,117	0.34
2 to 3 years	–	–	–
Over 3 years	–	–	–
Total	144,689,428	78,449	

Explanation of bad debt provision made on a portfolio basis:

☐Applicable ✔Not applicable

Items provided on a portfolio basis: receivables from other customers

Unit: Yuan Currency: RMB

Name	Closing balance Gross carrying amount	Credit loss allowance	Provision ratio (%)
Within 6 months	215,114,304	23,877,287	11.10
6 months to 1 year	132,970,685	17,741,089	13.34
1 to 2 years	13,351,160	3,253,499	24.37
2 to 3 years	5,406,179	2,260,738	41.82
Over 3 years	10,484,225	6,128,349	58.45
Total	377,326,553	53,260,962	

Explanation of credit loss allowance made on a portfolio basis:

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

***(2) Disclosure by method of Credit loss allowance** (continued)*

Credit loss allowance made under the general model of expected credit losses

☐Applicable ✔Not applicable

Basis for classification of stages and provision ratios for bad debt provision

The Group measures the loss provision for accounts receivable at an amount equivalent to lifetime expected credit losses.

Explanation of significant changes in the Gross carrying amount of accounts receivable for which changes in loss provisions occurred during the current period:

☐Applicable ✔Not applicable

(3) Details of Credit loss allowance

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change for the current period: Provision made	Recovered or reversed	Write-off or charge-off	Other changes	Closing balance
Lifetime expected credit losses (not credit-impaired)	272,764,059	280,767,092	141,323,889	–	–	412,207,262
Lifetime expected credit losses (credit-impaired)	472,377,866	–	240,216	–	–	472,137,650
Total	745,141,925	280,767,092	141,564,105	–	–	884,344,912

Including significant amounts of bad debt provision recovered or reversed in the current period:

☐Applicable ✔Not applicable

Other explanations

None

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(4) Accounts receivable actually written off in the current period

☐Applicable ✔Not applicable

Including significant write-offs of accounts receivable

☐Applicable ✔Not applicable

Description of write-off of accounts receivable:

☐Applicable ✔Not applicable

(5) Top five accounts receivable and contract assets by closing balance grouped by debtor

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of the total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for credit loss
Customer 100507	1,763,844,718	14,172,115	1,778,016,833	13.21	44,978,304
Customer 93000	1,084,824,654	–	1,084,824,654	8.06	–
Customer 100511	1,084,750,435	154,857	1,084,905,292	8.06	25,640,323
Customer 100928	1,056,320,042	2,328,111	1,058,648,153	7.87	27,846,004
Customer 99083	371,028,213	–	371,028,213	2.76	–
Total	5,360,768,062	16,655,083	5,377,423,145	39.96	98,464,631

The closing balance of contract assets includes contract assets presented under "Other non-current assets".

Other explanations

None

Other explanations:

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables

Presentation of items

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	–	–
Dividends receivable	23,662,400	313,935,000
Other receivables	3,525,451,547	2,584,446,138
Total	3,549,113,947	2,898,381,138

Other explanations:

☐Applicable ✔Not applicable

Interest receivable

(1) Classification of interest receivable

☐Applicable ✔Not applicable

(2) Significant overdue interest

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Interest receivable *(continued)*

(3) Disclosure by method of bad debt provision

☐Applicable ✔Not applicable

Bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Explanation of bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Bad debt provision made on a portfolio basis:

☐Applicable ✔Not applicable

Bad debt provision made under the general model of expected credit losses

☐Applicable ✔Not applicable

(4) Details of bad debt provision

☐Applicable ✔Not applicable

Including significant amounts of bad debt provision recovered or reversed in the current period:

☐Applicable ✔Not applicable

Other explanations:

None

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Interest receivable *(continued)*

(5) Interest receivable actually written off in the current period

☐Applicable ✔Not applicable

Including significant write-offs of interest receivable

☐Applicable ✔Not applicable

Write-off description:

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Dividends receivable

(1) Dividends receivable

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Customer 99099	23,662,400	–
Customer 99062	–	495,000
Customer 99051	–	13,200,000
Customer 99069	–	300,000,000
Customer 125668	–	240,000
Total	23,662,400	313,935,000

(2) Significant dividends receivable aged over 1 year

☐Applicable ✔Not applicable

(3) Disclosure by method of bad debt provision

☐Applicable ✔Not applicable

Bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Explanation of bad debt provision made on an individual basis:

☐Applicable ✔Not applicable

Bad debt provision made on a portfolio basis:

☐Applicable ✔Not applicable

Bad debt provision made under the general model of expected credit losses

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Dividends receivable *(continued)*

(4) Details of bad debt provision

☐Applicable ✔Not applicable

Including significant amounts of bad debt provision recovered or reversed in the current period:

☐Applicable ✔Not applicable

Other explanations:

None

(5) Dividends receivable actually written off in the current period

☐Applicable ✔Not applicable

Including significant write-offs of dividends receivable

☐Applicable ✔Not applicable

Write-off description:

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables

(1) Disclosure by aging

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 6 months	1,098,216,707	646,513,758
6 months to 1 year	575,244,325	1,249,738,230
Subtotal within 1 year	1,673,461,032	1,896,251,988
1 to 2 years	1,322,237,118	188,895,951
2 to 3 years	351,905,550	457,305,211
Over 3 years	190,963,976	56,846,086
Less: provision for credit losses on other receivables	13,116,129	14,853,098
Total	3,525,451,547	2,584,446,138

(2) Classification by nature of payment

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing balance	Opening balance
Amounts due from subsidiaries	3,369,561,710	2,437,265,929
Guarantees and deposits	36,055,375	47,993,721
Equity investments not yet paid up under the subscribed capital system	50,000,000	50,000,000
Other	82,950,591	64,039,586
Total	3,538,567,676	2,599,299,236

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables *(continued)*

(3) Details of bad debt provision made

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Bad debt provision	Stage 1 Expected credit losses over the next 12 months	Stage 2 Lifetime expected credit losses (not credit-impaired)	Stage 3 Lifetime expected credit losses (credit-impaired)	Total
Balance as of January 1, 2026	14,653,707	–	199,391	14,853,098
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provision made in the current period	1,293,235	–	–	1,293,235
Reversed in the current period	3,030,204	–	–	3,030,204
Charged off in the current period	–	–	–	–
Written off in the current period	–	–	–	–
Other changes	–	–	–	–
Balance as of June 30, 2026	12,916,738	–	199,391	13,116,129

Basis for classification of stages and provision ratios for bad debt provision

As of June 30, 2026, the Group had no other receivables in Stage 2 or Stage 3.

Explanation of significant changes in the Gross carrying amount of other receivables for which changes in loss provisions occurred during the current period:

☐Applicable ✔Not applicable

Basis for the amount of bad debt provision made in the current period and for assessing whether the credit risk of financial instruments has increased significantly:

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

***Other receivables** (continued)*

(4) Details of bad debt provision

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change for the current period: Provision made	Recovered or reversed	Write-off or charge-off	Other changes	**Closing balance**
Bad debt provision for other receivables	14,853,098	1,293,235	3,030,204	–	–	**13,116,129**
Total	14,853,098	1,293,235	3,030,204	–	–	**13,116,129**

Including significant amounts of bad debt provision reversed or recovered in the current period:

☐Applicable ✔Not applicable

Other explanations

None

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

☐Applicable ✔Not applicable

Including significant write-offs of other receivables:

☐Applicable ✔Not applicable

Description of write-offs of other receivables:

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

***Other receivables** (continued)*

(6) Top five other receivables by closing balance grouped by debtor

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of entity	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature of the payment	Aging	Bad debt provision Closing balance
Customer 99231	2,297,274,583	64.92	Amounts due from subsidiaries	Within 1 year, 1-2 years	–
Customer 202021	305,323,831	8.63	Amounts due from subsidiaries	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years	–
Customer 99099	187,115,897	5.29	Amounts due from subsidiaries	Within 1 year, 1-2 years, 2-3 years	–
Customer 99001	183,123,200	5.18	Amounts due from subsidiaries	Within 1 year, 1-2 years, 2-3 years, 3-4 years	–
Customer 99208	173,537,308	4.90	Amounts due from subsidiaries	Within 1 year	–
Total	3,146,374,819	88.92	/	/	–

(7) Presented under other receivables due to centralized fund management

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance Gross carrying amount	Impairment provision	Carrying amount	Opening balance Gross carrying amount	Impairment provision	Carrying amount
Investments in subsidiaries	11,571,734,841	450,771,551	11,120,963,290	11,569,671,310	450,771,551	11,118,899,759
Investments in associates and joint ventures	267,158,845	–	267,158,845	268,307,595	–	268,307,595
Total	11,838,893,686	450,771,551	11,388,122,135	11,837,978,905	450,771,551	11,387,207,354

XIX. NOTES TO MAJOR ITEMS OF THE PARENT 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)	Opening balance of impairment provision	Changes for the current period: Additional investment	Decrease in investment	Impairment provision made	Other	Closing balance (carrying amount)	Closing balance of impairment provision
Hong Kong CRRC Times Electric	375,693,608	450,771,551	–	–	–	–	375,693,608	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	939,535,844	–	–	–	–	–	939,535,844	–
Chengdu CRRC Electric	30,000,000	–	–	–	–	–	30,000,000	–
Guangzhou CRRC Electric	18,000,000	–	–	–	–	–	18,000,000	–
CRRC National Converter Center	898,254,981	–	–	–	–	–	898,254,981	–
Hangzhou CRRC Electric	33,000,000	–	–	–	–	–	33,000,000	–
Hunan CRRC Communication & 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	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	5,169,086,041	–	2,063,531	–	–	–	5,171,149,572	–
Chongqing CRRC Electric	90,000,000	–	–	–	–	–	90,000,000	–
FAW CRRC Electric Drive	150,000,000	–	–	–	–	–	150,000,000	–
Hunan CRRC Electric Drive	832,974,944	–	–	–	–	–	832,974,944	–
Indonesia CRRC Times	25,238,439	–	–	–	–	–	25,238,439	–
Taiyuan CRRC Times	169,191,256	–	–	–	–	–	169,191,256	–
Total	11,118,899,759	450,771,551	2,063,531	–	–	–	11,120,963,290	450,771,551

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments (continued)

(2) Investments in associates and joint ventures

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Investment Unit	Beginning of period Balance (carrying amount)	Opening balance of impairment provision	Changes for the current period: Additional investment	Decrease in investment	Investment profit or loss recognized under the equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared for distribution	Impairment provision made	Other	**Closing balance (carrying amount)**	Closing balance of impairment provision
I. Joint ventures												
Shiling Company	108,933,144	-	-	-	-828,637	-	-	-	-	-	**108,104,507**	-
Other	22,696,226	-	-	-	-194,215	-	-	500,000	-	-	**22,002,011**	-
Subtotal	131,629,370	-	-	-	-1,022,852	-	-	500,000	-	-	**130,106,518**	-
II. Associates												
Zhuzhou Siemens	46,877,349	-	-	-	8,446	-	-	-	-	-	**46,885,795**	-
Other	89,800,876	-	-	-	365,656	-	-	-	-	-	**90,166,532**	-
Subtotal	136,678,225	-	-	-	374,102	-	-	-	-	-	**137,052,327**	-
Total	268,307,595	-	-	-	-648,750	-	-	500,000	-	-	**267,158,845**	-

(3) Impairment testing of long-term equity investments

☐Applicable ✔Not applicable

Other explanations:

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

4. Revenue and cost of sales

(1) Details of revenue and cost of sales

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period Revenue	Current period Cost	Prior period Revenue	Prior period Cost
Principal operating activities	**6,917,495,181**	**4,741,249,824**	6,167,945,186	4,283,546,790
Other operating activities	**237,180,937**	**193,484,669**	188,181,889	176,943,569
Total	**7,154,676,118**	**4,934,734,493**	6,356,127,075	4,460,490,359

(2) Disaggregation of operating revenue and operating cost

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Contract classification	Current period Operating revenue	Prior period Operating revenue
Classified by operating region		
Chinese mainland	**7,092,325,568**	6,273,880,540
Other countries and regions	**62,350,550**	82,246,535
Total	**7,154,676,118**	6,356,127,075

Other explanations

☐Applicable ✔Not applicable

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

4. Revenue and cost of sales (continued)

(3) Description of performance obligations

✔Applicable ☐Not applicable

Sale of goods and materials

The Company mainly sells rail transit equipment products. Such goods and materials are transported mainly by land, and the Company generally recognizes revenue when the customer has received and accepted the products as qualified.

Advance payments received from customers before the delivery of rail transit equipment products are recognized as contract liabilities in the financial statements. There is no significant financing component or return right in the sales process of rail transit equipment products.

Repair service revenue

The Company mainly repairs rail transit equipment products, and the Group recognizes revenue upon completion of the repair services.

(4) Description of allocation to remaining performance obligations

☐Applicable ✔Not applicable

(5) Material contract changes or material transaction price adjustments

☐Applicable ✔Not applicable

Other explanations:

None

XIX. NOTES TO MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

5. Investment income

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Income from long-term equity investments accounted for using the equity method	**-648,750**	414,265
Investment income from disposal of held-for-trading financial assets	**5,614,304**	-3,643,306
Income from long-term equity investments accounted for using the cost method	**567,300,000**	352,145,000
Other	**-766,657**	-267,321
Total	**571,498,897**	348,648,638

Other explanations:

None

6. Other

☐Applicable ✔Not applicable

XX. SUPPLEMENTARY INFORMATION

1. Schedule of non-recurring profit or loss for the current period

✔Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Explanation
Profit or loss on disposal of non-current assets, including the write-off of asset impairment provisions already made	-2,485,777	/
Government grants recognized in profit or loss for the current period, except for government grants that are closely related to the Company's normal business operations, comply with national policies and regulations, are enjoyed in accordance with determined criteria and have a continuing impact on the Company's profit or loss	67,812,016	/
Profit or loss from changes in fair value of financial assets and financial liabilities held by a non-financial enterprise, and profit or loss arising from the disposal of financial assets and financial liabilities, other than effective hedging business related to the Company's normal business operations	6,910,112	/
Reversal of provision for impairment of receivables individually tested for impairment	1,711,835	/
Other non-operating income and expenses other than the above items	13,577,789	/
Less: income tax effect	13,755,307	/
Effect on minority interests (after tax)	3,797,066	/
Total	69,973,602	/

Where the Company designates items not listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profit or Loss as non-recurring profit or loss items involving significant amounts, or defines non-recurring profit or loss items listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profit or Loss as recurring profit or loss items, the reasons shall be explained.

☐Applicable ✔Not applicable

Other explanations

☐Applicable ✔Not applicable

XX. SUPPLEMENTARY INFORMATION (continued)

2. Return on net assets and earnings per share

✔Applicable ☐Not applicable

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	3.96%	1.25	1.25
Net profit attributable to ordinary shareholders of the Company excluding non-recurring profit or loss	3.80%	1.20	1.20

3. Differences in accounting data under domestic and overseas accounting standards

☐Applicable ✔Not applicable

4. Other

☐Applicable ✔Not applicable

Legal representative: Li Donglin
Date of approval for submission by the Board of Directors: August 19, 2026

Revision information

☐Applicable ✔Not applicable