

2026

INTERIM REPORT



Contents

Corporate Information	2
Company Overview	3
Management Discussion and Analysis	5
Other Information	19
Definitions	23
Interim Review Report	25
Condensed Consolidated Statement of Profit or Loss	26
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	27
Condensed Consolidated Statement of Financial Position	28
Condensed Consolidated Statement of Changes in Equity	30
Condensed Consolidated Statement of Cash Flows	31
Notes to the Unaudited Interim Financial Report	32



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yu (*Chief Executive Officer*)
Ms. Zhao Jingyuan

Non-Executive Directors

Mr. Ren Yuhang (*Chairman*)
Mr. Wang Daomin
Mr. Li Zheng
Mr. Cao Mingda

Independent Non-Executive Directors

Mr. Luo Zhenbang (*CPA*)
Mr. Huang Lixin
Ms. Ng Wing Yan Claudia

AUTHORISED REPRESENTATIVES PURSUANT TO RULE 3.05 OF THE LISTING RULES

Mr. Liu Yu
Ms. Ng Ka Man

JOINT COMPANY SECRETARIES

Ms. Ng Ka Man
Mr. Liu Yefei

AUDIT COMMITTEE

Mr. Luo Zhenbang (*CPA*) (*Chairman*)
Mr. Huang Lixin
Ms. Ng Wing Yan Claudia

REMUNERATION COMMITTEE

Ms. Ng Wing Yan Claudia (*Chairman*)
Mr. Ren Yuhang
Mr. Huang Lixin

NOMINATION COMMITTEE

Mr. Ren Yuhang (*Chairman*)
Mr. Huang Lixin
Ms. Ng Wing Yan Claudia

ESG COMMITTEE

Mr. Ren Yuhang (*Chairman*)
Mr. Liu Yu
Mr. Luo Zhenbang (*CPA*)

AUDITORS

Baker Tilly Hong Kong Limited
*Public Interest Entity Auditor registered in accordance
with the Accounting and Financial Reporting Council
Ordinance*

LEGAL ADVISERS TO THE COMPANY

Chiu & Partners

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation
Limited

REGISTERED OFFICE

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place,
103 South Church Street,
P.O. Box 10240,
Grand Cayman KY1-1002,
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Tower 2, Fusheng Building, No. 4 Huixin East Street,
Chaoyang District, Beijing, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rm 2502, 25/F, Tower 1,
Enterprise Square Five,
38 Wang Chiu Road,
Kowloon Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place,
103 South Church Street,
P.O. Box 10240,
Grand Cayman KY1-1002,
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.biitt.cn

STOCK CODE

1522

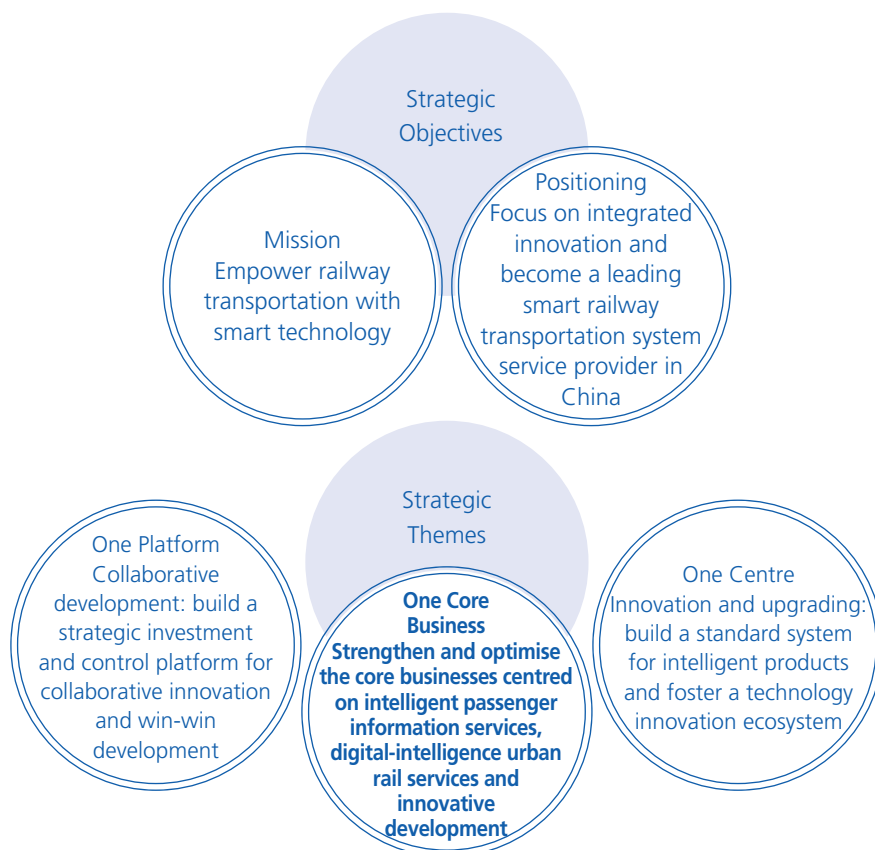
Company Overview

COMPANY INTRODUCTION

The Group is a high-tech industrial group integrating intelligent railway transportation construction and O&M, technology R&D, investment and financing. The Company was listed on GEM of the Stock Exchange on 16 May 2012 and transferred its listing to the Main Board of the Stock Exchange on 6 December 2013. Its stock code is 1522.HK.

Guided by the mission of “Empowering railway transportation with smart technology”, the Group adheres to its strategic positioning of “Focusing on integrated innovation and becoming a leading smart railway transportation system service provider in China”. It builds a technology ecosystem and is committed to providing full-lifecycle system solutions for the development of railway transportation.

Intelligent Passenger Information Services Business	Primarily focuses on passenger mobility scenarios covering high-speed railways, intercity railways, suburban railways and metro rail systems. Its main products include integrated PIS, on-board integrated cloud-based platform, comprehensive monitoring and other hardware and software products and solutions.
Digital-Intelligence Urban Rail Services Business	Primarily serves metro owners and operators, focusing on railway transportation construction and operation scenarios. The business covers AFC, TCC, COCC, low-voltage and communication system integration services, and provides intelligent software and hardware products and services such as rail cloud platforms and urban rail big-data solutions.
Innovative Development Business	Building on the civil communication and “intelligent+” businesses, it provides one-stop intelligent infrastructure services for domestic and overseas clients and, leveraging the Hong Kong international business gateway, continues to explore incremental businesses such as engineering support and technology services.



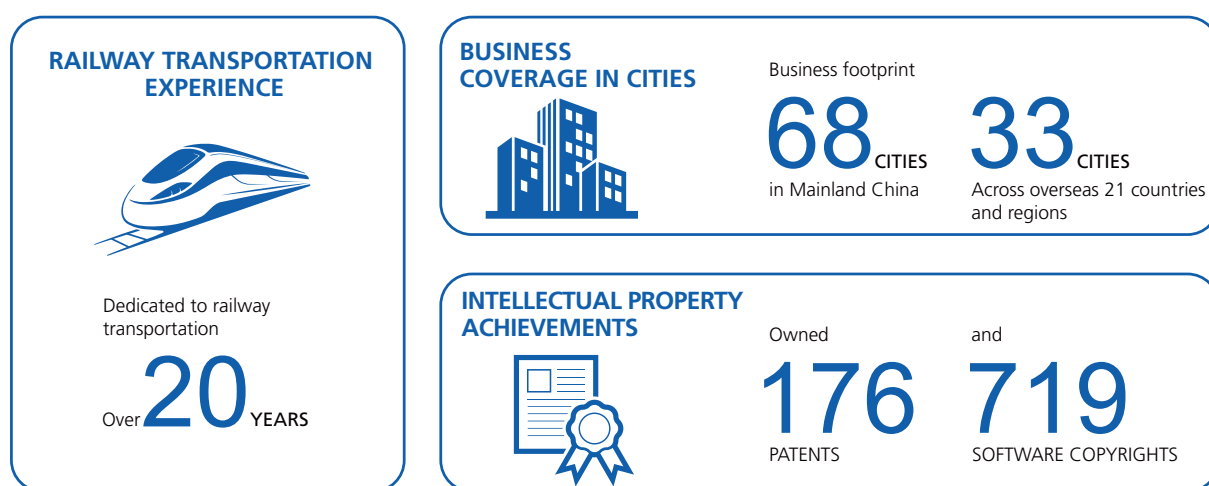
Company Overview

MARKET STRATEGY

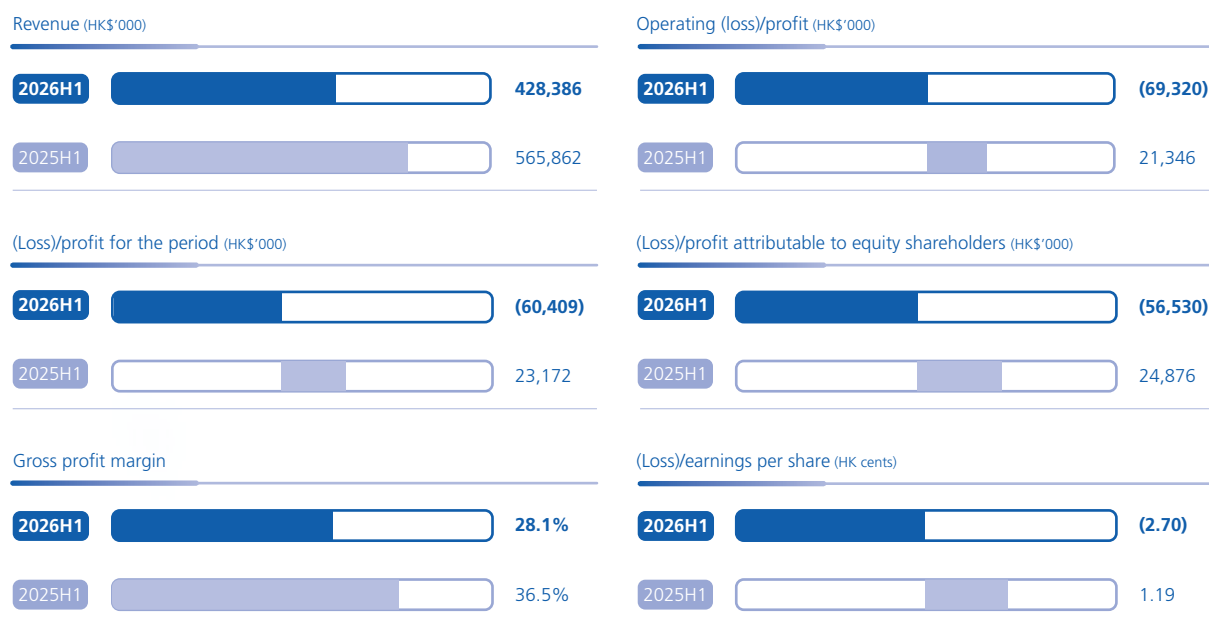
The Group adheres to the market strategy of “Based in Beijing and Hong Kong, deepening its presence nationwide and exploring international markets”, and continues to expand in key regions and overseas markets.

As at 30 June 2026, the Group’s business footprint covered 68 cities across 31 provinces, municipalities, autonomous regions and special administrative regions in China; its overseas business had expanded to 33 cities in 21 countries and regions.

BY THE NUMBERS



FINANCIAL SUMMARY



Management Discussion and Analysis

MARKET AND BUSINESS ENVIRONMENT

In the first half of 2026, the railway transportation industry operated steadily, with construction progressing at a reasonable pace and passenger demand remaining resilient. According to data from China State Railway Group, fixed-asset investment in national railway construction amounted to approximately RMB363.2 billion, representing a year-on-year increase of 2.1%. The railway network handled approximately 2.348 billion passenger trips in the first half of 2026, a year-on-year increase of 5%, indicating a solid recovery of the national passenger rail transport market. In the urban rail sector, data from the China Association of Metros reveals that 200.41 kilometres of new lines, new sections or extensions were added across 10 cities in the first half of 2026, a year-on-year decrease from 220.70 kilometres and 17 cities. According to the Ministry of Transport, the urban rail network handled approximately 16.76 billion passenger trips in the first half of 2026, representing a year-on-year increase of 3.9%.

From the perspective of the Group's operating environment, policy, market and technological factors continue to affect the development of the Group's businesses. At the policy level, a decelerated pace in the approval, investment, and construction of domestic railway transit projects has constrained overall market growth. Additionally, ongoing fee-reduction policies in the civil communications sector continue to squeeze the revenue potential and profit models of related business lines. At the market level, industry competition has further intensified, putting pressure on project prices. Coupled with rising prices of certain raw materials such as storage chips, the gross profit margin of projects has further narrowed. Simultaneously, competition has further extended into areas such as technical solutions, project delivery, O&M services and localisation capabilities. At the technology level, the rapid integration of AI, LLM and cloud platforms have accelerated their penetration into scenarios such as passenger services, operation scheduling, equipment O&M and enterprise management, and is significantly accelerating industry-wide innovation cycles.





Management Discussion and Analysis

BUSINESS OVERVIEW

During the Period, the Group focused on promoting project fulfilment, market expansion and R&D across its three core business segments: intelligent passenger information services, digital-intelligence urban rail services and innovative development. The fee reduction policy for the civil communication business and the implementation cycle of certain projects weighed on the Group's operating results during the Period. For the six months ended 30 June 2026, the Group recorded revenue of approximately HK\$428.4 million, representing a decrease of approximately 24.3% as compared with the same period last year. Gross profit was approximately HK\$120.5 million, representing a year-on-year decrease of approximately 41.7%. The gross profit margin was approximately 28.1%, representing a year-on-year decrease of approximately 8.4 percentage points. Loss attributable to equity shareholders of the Company was approximately HK\$56.5 million, as compared with a profit attributable to equity shareholders of approximately HK\$24.9 million for the same period last year.

In terms of market expansion, the Group continued to advance project fulfilment and delivery and market development during the Period, and the newly contracted and bid-winning projects were valued at approximately RMB750.0 million. As at 30 June 2026, the Group's orders on hand amounted to approximately HK\$2.83 billion (Note). In the second half of 2026, the Group will accelerate the delivery and acceptance of key projects, strengthen the management of payment collections, costs and expenses and cash flow, with a view to gradually improving operating efficiency.

FINANCIAL REVIEW

Revenue

During the Period, the Group recorded revenue of approximately HK\$428.4 million, representing a decrease of approximately HK\$137.5 million or approximately 24.3% as compared with the same period last year. The Group's revenue was mainly derived from the three core business segments: intelligent passenger information services, digital-intelligence urban rail services and innovative development business, and the revenue from these three businesses amounted to approximately HK\$157.7 million, HK\$197.9 million and HK\$72.7 million respectively, accounting for approximately 36.8%, 46.2% and 17.0%, respectively, of the total revenue during the Period.

Revenue derived from the intelligent passenger information services business during the Period was approximately HK\$157.7 million, representing a decrease of approximately HK\$94.1 million or approximately 37.4% as compared with the same period last year. The fluctuation in revenue from this segment was mainly due to the impact of the implementation progress and revenue recognition pace of certain railway projects, which led to a decrease in revenue during the Period.

Note: Excluding certain orders relating to the civil communication business that are affected by the fee reduction policy.

Management Discussion and Analysis

Revenue derived from the digital-intelligence urban rail services business during the Period was approximately HK\$197.9 million, representing a year-on-year increase of approximately HK\$21.3 million or approximately 12.0%. The fluctuation in revenue from this segment was mainly due to the commencement of revenue recognition for the Urumqi Metro Line 2 Phase I North Section Communication and Automatic Fare Collection System Equipment Integration and Procurement Project, which led to an increase in revenue as compared with the same period last year.

Revenue derived from the innovative development business during the Period was approximately HK\$72.7 million, representing a year-on-year decrease of approximately HK\$64.7 million or approximately 47.1%. The decrease in revenue from this segment was mainly due to the adjustments in civil communication policies.

By geographical region, the Group mainly operates its businesses in Chinese Mainland. During the Period, the Group recorded revenue of approximately HK\$404.0 million from Chinese Mainland, representing a year-on-year decrease of approximately HK\$143.8 million or approximately 26.3%. It achieved revenue of approximately HK\$11.4 million from the Hong Kong market, representing a year-on-year increase of approximately HK\$0.7 million or approximately 6.2%. Its revenue from overseas markets amounted to approximately HK\$13.0 million, representing a year-on-year increase of approximately HK\$5.7 million or approximately 77.2%. In addition, based on project location classification, overseas projects recorded revenue of approximately HK\$27.0 million, representing an increase of approximately HK\$8.9 million or approximately 48.8% as compared with the same period last year. The growth in overseas market was mainly due to revenue recognition from the Cairo project and the East Coast Rail Link in Malaysia project as scheduled.

Cost of Sales and Gross Profit

During the Period, the Group's cost of sales was approximately HK\$307.9 million, representing a year-on-year decrease of approximately HK\$51.4 million or approximately 14.3%. Its gross profit was approximately HK\$120.5 million, representing a year-on-year decrease of approximately HK\$86.0 million or approximately 41.7%. The decrease in gross profit was largely due to a year-on-year decrease in overall revenue caused by the implementation of the fee reduction policy for civil communication and the slow implementation progress of intelligent passenger information service projects. During the Period, the Group's gross profit margin was approximately 28.1%, representing a year-on-year decrease of approximately 8.4 percentage points. This was mainly due to the decline in the profitability of the civil communication business, while for the intelligent passenger information services business, the proportion of high-gross-margin projects with revenue recognised at a point in time decreased as compared to the same period last year due to the cyclical nature of the projects, and the increase in the costs of related projects caused by the rising prices of some raw materials such as storage chips.

Selling, General and Administrative Expenses

The Group's selling, general and administrative expenses for the Period amounted to approximately HK\$111.8 million, remaining basically stable as compared with the same period last year.



Management Discussion and Analysis

R&D Expenses

The Group's R&D expenses for the Period amounted to approximately HK\$87.0 million, which remained stable as compared with the same period last year.

Share of Results of Joint Ventures and Associates

During the Period, the Group recorded share of results of joint ventures and associates of approximately HK\$16.6 million, which remained stable as compared with the same period last year.

Gains or Losses on Changes in Fair Value

During the Period, the Group recorded a fair value loss of approximately HK\$1.0 million, as compared with a fair value gain of approximately HK\$0.4 million for the same period last year. This was largely due to changes in the fair value of the Group's investees, Youdao Technology and Cornerstone Huiying.

(Loss)/Profit Attributable to Equity Shareholders of the Company

During the Period, the Group recorded a loss attributable to equity shareholders of the Company of approximately HK\$56.5 million, as compared with a profit attributable to equity shareholders of the Company of approximately HK\$24.9 million for the same period last year.

Liquidity, Financial and Capital Resources

Capital Structure

As at 30 June 2026, the Company's issued shares consisted of 2,097,146,727 ordinary shares of HK\$0.01 each (as at 31 December 2025: 2,097,146,727 ordinary shares of HK\$0.01 each).

Cash Position

As at 30 June 2026, the Group's cash and bank balances were approximately HK\$844.7 million (as at 31 December 2025: approximately HK\$820.6 million).

The Group's net cash generated from operating activities during the Period was approximately HK\$44.5 million, representing an increase of approximately HK\$16.2 million as compared to the same period last year, mainly due to the increase in cash collections during the Period as compared with the same period last year.

The Group's net cash used in investing activities during the Period was approximately HK\$59.4 million, which was due to the net placement of approximately HK\$54.5 million in bank deposits with a maturity of over three months during the Period, whereas the net cash used in investing activities was approximately HK\$87.6 million for the same period last year, which was mainly due to the payment of HK\$81.9 million for the acquisition of equity in subsidiaries in the same period last year.

The Group's net cash used in financing activities for the Period was approximately HK\$43.0 million, representing an increase of approximately HK\$10.9 million in net outflow as compared to the same period last year, mainly due to the decrease in new borrowings during the Period as compared with the same period last year.

Management Discussion and Analysis

Borrowings and Pledged Assets of the Group

As at 30 June 2026, the Group's borrowings were approximately HK\$252.9 million (as at 31 December 2025: approximately HK\$310.1 million), of which HK\$150.0 million was derived from the borrowing from a subsidiary of BII, the Company's ultimate holding company, and the remaining was bank borrowings of approximately HK\$102.9 million.

In respect of the Group's borrowings of HK\$150.0 million, as at 30 June 2026, the rights and interests in 20% of the issued share capital of Great Legend, a wholly-owned subsidiary of the Group, held by the Company were pledged in favour of a subsidiary of the ultimate holding company of the Company.

Working Capital and Gearing Ratio

As at 30 June 2026, the Group had current assets of approximately HK\$3,510.1 million (as at 31 December 2025: approximately HK\$3,533.9 million), while its current liabilities were approximately HK\$1,758.0 million (as at 31 December 2025: approximately HK\$1,748.1 million), resulting in net current assets of approximately HK\$1,752.1 million (as at 31 December 2025: approximately HK\$1,785.8 million). As at 30 June 2026, the current ratio, calculated based on current assets divided by current liabilities, was approximately 2.0 (as at 31 December 2025: approximately 2.0).

Gearing ratio is calculated based on total debts at the end of a period divided by total assets at the end of such period multiplied by 100%. As at 30 June 2026, the Group's gearing ratio was approximately 38.5% (as at 31 December 2025: approximately 38.8%).

Foreign Exchange Exposure

The Group's main operating subsidiaries were incorporated in Hong Kong and Chinese Mainland respectively, and each subsidiary primarily earns income and incurs costs in the local currency of its principal place of operation. The Directors consider that the Group's exposure to foreign exchange risk is not material.

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities (as at 31 December 2025: nil).



Management Discussion and Analysis

BUSINESS ANALYSIS BY SEGMENT

Intelligent Passenger Information Services Business

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

Revenue derived from the intelligent passenger information services business for the Period was approximately HK\$157.7 million, representing a decrease of approximately HK\$94.1 million or approximately 37.4% as compared with the same period last year. Gross profit was approximately HK\$59.2 million, representing a year-on-year decrease of approximately HK\$66.6 million or approximately 52.9%; gross profit margin was approximately 37.5%, representing a year-on-year decrease of approximately 12.4 percentage points.

During the Period, the Group focused on two major growth drivers, namely overseas markets and the renovation and upgrade market, while simultaneously enhancing its international operation capabilities and full-lifecycle service capabilities. In the domestic market, the Group successfully signed a contract for the on-board PIS project for 24 eight-car trainsets for the Shenzhen International Airport-Dayawan Intercity Railway, with a value of approximately RMB25.2053 million, further consolidating its supporting capabilities for intercity on-board business and deepening its market presence in South China. In addition, it signed a contract for the PIS update project for electric multiple units of the first phases of Kunming Metro Lines 1 and 2 that was valued at approximately RMB12.143 million, continuously expanding the business space of existing line renovation. In overseas markets, the Group successively signed contracts in South Asia for the supply and O&M project of ancillary systems for Mumbai Metro Line 4 and the on-board PIS projects for Lines 5 and 6, with a total value of approximately RMB88.6807 million, consolidating its leading position in the local on-board PIS market. In Southeast Asia, it secured a vehicle project for the KJ Line in Malaysia with a contract value of approximately RMB17.6286 million. This is the Group's first fully automated light rail project in Malaysia, which will lay a solid foundation for the Group to strengthen its presence in the ASEAN rail transit market and expand the overseas influence of domestically produced intelligent rail systems.

Digital-Intelligence Urban Rail Services Business

The digital-intelligence urban rail services business primarily serves the metro owners and operators, focusing on scenarios such as the construction and operation of railway transportation. The business scope encompasses AFC, TCC, COCC and low-voltage and communication system integration services. The business provides intelligent software and hardware products and services such as cloud platforms for railways and big data solutions for urban railways.

Revenue derived from the digital-intelligence urban rail services business during the Period was approximately HK\$197.9 million, representing a year-on-year increase of approximately HK\$21.3 million or approximately 12.0%. Gross profit was approximately HK\$48.2 million, representing a year-on-year increase of approximately HK\$16.6 million or approximately 52.8%. Gross profit margin was approximately 24.3%, representing a year-on-year increase of approximately 6.5 percentage points.

During the Period, the Group, which continuously consolidated its market leadership, successfully signed a contract for the communication and AFC system project for the branch line of Beijing Metro Line 1 valued at approximately RMB225.0 million, ensuring the safe and efficient operation of urban rail transit with independently controllable technology. Meanwhile, the Group undertook the command center access project for Beijing Rail Transit Line 22 and Daxing Airport Express North Extension, and the information infrastructure integration project for the line control center of Beijing Rail Transit Line 22, with a total value of approximately RMB59.215 million. This comprehensively enhances the digital and intelligent control level of the Beijing rail transit network's dispatching and command. It successfully won the bid for the equipment procurement project of the underground intelligent system for the transportation hub integration project of the Lize City Terminal, with a value of approximately RMB43.81 million. This project enables business synergy for air-rail intermodal transport, ensures the efficient operation of the hub through comprehensive intelligent control, and delivers a high-quality mobility experience for passengers. The Group signed a contract worth approximately RMB24.814 million on the equipment procurement, integration and service project for the network control center system of the rail transit network control center (Phase I) in Tianjin's Binhai New Area, successfully entering the Binhai New Area market, creating a regional benchmark project and improving the business layout in the Beijing-Tianjin-Hebei region. It successfully signed a contract on the technical renovation project for the APCC system interfaces of the BWTON Jingxiong Express Line valued at approximately RMB10.20 million. This marks the Group's first entry into the Xiong'an market, supporting the urban spatial layout of the "one core and two wings".



Management Discussion and Analysis

Innovative Development Business

Building on the civil communication and “intelligent+” businesses, the innovative development business provides one-stop intelligent infrastructure services for clients at home and abroad, and leverages its existing Hong Kong international business gateway to continuously explore new incremental businesses such as engineering support and technology services.

Revenue derived from the innovative development business during the Period was approximately HK\$72.7 million, representing a year-on-year decrease of approximately HK\$64.7 million or approximately 47.1%. Gross profit was approximately HK\$13.2 million, representing a year-on-year decrease of approximately HK\$36.1 million or approximately 73.3%. Gross profit margin was approximately 18.1%, representing a year-on-year decrease of approximately 17.8 percentage points. The decrease in revenue was mainly due to a year-on-year decline in revenue from the civil communication business amid relevant policy adjustments.

In the first half of 2026, while ensuring the stable operation of existing civil communication line facilities, the Group accelerated the transformation and upgrading of value-added businesses and deepened its presence in niche areas like metro edge cloud. Based on existing traditional business resources, it focused on advancing the construction of commercial wireless and broadband systems for railway transportation-oriented commercial complexes during the Period, extending its communication business to scenario-based comprehensive information services. For the second half of 2026, the Group will explore emerging business sectors such as computing power services, IoT and dedicated lines for industrial parks to solidify the long-term development foundation of the civil communication business.

During the Period, the Group’s “intelligent+” businesses developed steadily. For instance, it signed the contract for the self-built optical cable O&M services project of the 1.4G wireless government affairs network in Beijing in 2026, further expanding its business in the government communication O&M field. In addition, it promoted the implementation of multiple key projects such as the Beijing’s sub-center and the Daxing Airport Express in an orderly manner, and provided O&M service guarantees for BII’s parks and the Daxing Airport Express. It focused on building an integrated business chain from project construction and delivery to regular O&M support, further refining its capabilities in full-cycle coordination and long-term operation of major projects and solidifying the foundation for large-scale business expansion.

Moreover, leveraging its overseas resource advantages, the Group accelerated the development of BII-TSHK, its international business gateway. During the Period, by actively engaging with potential clients and cooperation resources, it carried out preliminary expansion work in the overseas technology services market, laying the groundwork for subsequent deployment and expansion.

Investment and Joint Venture Cooperation

In the first half of 2026, focusing on the development of its principal business and industrial chain synergy, the Group continued to strengthen its existing investment management and joint venture operations, and further improved its mechanisms for post-investment tracking, risk identification, operational analysis and resource synergy. During the Period, aiming to develop its principal business and increase resource allocation efficiency, the Group optimised its investment structure and resource integration, prudently carried out classified management and dynamic adjustment of existing projects, and pooled resources in the principal intelligent railway transportation business, core technological capabilities and collaborative platforms with industrial synergy value.

During the Period, the primary operating performance of companies in which the Group invested is as follows:

Capital Metro continuously ensured line operation service guarantees and stable and orderly passenger transport operations. While ensuring existing operational services, Capital Metro actively expanded its commercial value-added services. The Beixinqiao commercial integration project was officially put into operation in 2026, becoming a new revenue growth engine. Meanwhile, Air China's new baggage check-in service was introduced at Dongzhimen Metro Station, further expanding the service functions of airport lines and enhancing passenger mobility convenience and the comprehensive service level.

Ruibypay strengthened innovation in internet-based mobility services and market-oriented operations for railway transportation. Through the joint operation of transit QR codes, integrated APP services and related commercial projects, it continuously strengthened cooperation with internet platforms, mobility service platforms and financial institutions, with a view to extending railway transportation mobility service scenarios and enhancing user service capabilities.

As a domestic provider of virtual simulation training solutions for railway transportation, Youdao Technology deepened its industry-university cooperation in the railway transportation sector. It collaborated with universities to establish industry colleges, build training bases, develop teaching resources and create educational platforms, further promoting the innovative development of industry-education integration and channeling more high-calibre skilled and technical talent into the industry.

SmartTOD Technology focused on intelligent solutions for comprehensive hubs and promoted the optimisation and iteration of the platform application system for the comprehensive transportation hub in Beijing Municipal Administrative Center Railway Station. During the Period, while advancing project implementation, it continuously conducted R&D on platform products and functional modules to promote the transformation of project experience into standardised products and reusable solutions and to gradually enhance the versatility, adaptability and large-scale application capabilities of related products, so as to satisfy the operations management needs of integrated hubs.

In terms of fund investments, Cornerstone Lianying and Cornerstone Huiying have now both entered the investment exit period. During the Period, the relevant fund platforms carried out post-investment management and exit work according to established arrangements, with some projects achieving orderly exits and generating investment returns.

Management Discussion and Analysis

R&D and Innovation

During the Period, the Group continued to support the development of its principal intelligent railway transportation business through technological innovation. Facing needs arising from intelligent passenger information services, digital-intelligence urban rail services and innovative development business, it continually advanced technological R&D and product iteration in key areas such as AI, big data, cloud platforms, intelligent O&M, intelligent scheduling, passenger information services, AFC and network command. As an important platform for the Group's technological innovation and results transformation, the research institute continuously strengthened research on common technologies, product capability building and business scenario empowerment, promoting the deep integration of R&D work with market expansion, project delivery and operation services. During the Period, the "Beijing Key Laboratory of Regional Rail Transit Facility Adaptation and Intelligent Collaborative Control", led by Beijing Jiaotong University and co-established with the Group, was officially approved. The laboratory will conduct relevant technical research on the "integration of four networks" of regional rail transit and cross-system collaborative operation, further strengthening the industry – academia – research collaborative innovation capabilities of the Group.

In view of AI applications, the Group actively promoted the implementation of LLM and AI agent technologies in railway transportation and corporate operations management scenarios. During the Period, the Group advanced the R&D of LLM and AI agent technologies, and launched the "Zhuo Yue Zhi Qu" LLM for railway transportation, which provides unified capability support for industry knowledge integration, AI agent development and scenario applications. On this basis, the Group has built an AI application system for corporate operations management and railway transportation scenarios. In terms of corporate operations management, relying on the RuiShu application platform, it established a digital employee application system, creating digital assistants for individuals and collaborative digital employees for teams. It also launched the "Xiao Ke Ban Xing" mobile AI workbench and the "Xiao Ke Zhi Ma" enterprise-level AI coding platform, providing intelligent support for knowledge acquisition, material preparation, data analysis, process collaboration, software R&D among others. As far as industry applications, it developed more than ten types of industry AI agent applications for railway transportation scenarios such as passenger services, equipment O&M, operation organisation and emergency response, promoting the integration of LLM capabilities with specific business scenarios. Additionally, addressing the needs of passenger services and smart scenario applications, the Group conducted development, testing and verification of functions such as autonomous navigation, voice commentary, knowledge Q&A and human-computer interaction for embodied intelligent interactions. This accumulates experience for the future application of embodied intelligent technology in passenger service scenarios such as stations and comprehensive transportation hubs.

From the perspective of scientific research projects and productisation, the Group advanced key scientific research projects and promoted the transformation of their results, in a bid to meet the digital-intelligent transformation needs of railway transportation. It concentrated on application scenarios such as intelligent O&M, intelligent scheduling, passenger information services, intelligent firefighting and corporate digitalisation to enhance its capabilities in algorithm models, platform products and system integration. During the Period, the Group advanced the R&D of 15 scientific research projects, including the "Research and demonstration of key technologies for integrated operation of urban (suburban) railways and urban rail transit lines" and "Research and application of a prototype for an LLM-based intelligent interactive system for railway transportation based on vector databases". It promoted the verification and application of related technological achievements in business scenarios, further enhancing its product competitiveness and comprehensive solution capabilities in the field of intelligent railway transportation.

Management Discussion and Analysis

In terms of intellectual property and standard development, Huaqi Intelligent led the drafting of the first unified industry standard for on-board passenger information systems in China, effectively enhancing the Group's influence in setting standards in this niche area. As at 30 June 2026, the Group possessed a total of 176 patents and 719 software copyrights. The Group also continuously participated in industry standard setting, scientific research projects and related technical exchange activities, and promoted the standardised, normalised and productised application of R&D results to build a technology reserve for its related product R&D and business applications.

During the Period, the Group's R&D investment amounted to approximately HK\$87.0 million, representing a year-on-year increase of approximately 2.5%, which was primarily used for AI platform capability building, iteration of railway transportation-related digital products, R&D for embodied intelligent projects, upgrading of existing systems and other related purposes. Meanwhile, the Group was awarded the first prize of the 2025 Science and Technology Awards by the Beijing Society of Metros for its "Research and application project on key technologies for data foundation of urban rail transportation network". Going forward, guided by market demand and scenario value, the Group will promote the independent control of core technologies, product standardisation and the transformation of R&D results to enhance its technological competitiveness in the field of intelligent railway transportation.

BUSINESS PROSPECTS

The Railway Transportation Industry Shifts Focus to Legacy Line Upgrades

As regulatory requirements for urban rail transit planning, construction and management tighten, industry development places greater emphasis on local fiscal capacity, passenger flow support, investment returns and operational sustainability. The urban rail transit industry will further transition from scale expansion to legacy asset upgrades, with the overall pace of incremental construction slowing down. New projects and market demand will increasingly concentrate in key city clusters, metropolitan areas and core regions backed by robust demographic, economic and ridership fundamentals. Concurrently, as early-built lines successively enter equipment renewal and capacity enhancement cycles, demand for system life extensions, operational efficiency gains, service quality enhancements and digital-intelligent transformation across existing lines will be further unleashed. Sub-systems such as communications, passenger information, AFC, integrated supervisory control, dispatching and O&M management will generate varying degrees of upgrade and renewal needs. Compared to the greenfield construction phase, legacy line upgrades place greater emphasis on system compatibility, phased implementation, data migration, safety verification and operational continuity under live or minimally disruptive conditions. Market demand is also evolving from mere equipment replacement toward system-level integration, digital reconstruction and full-lifecycle services. To address these demands, the Group will leverage its existing technologies and project experience to continuously enhance its capabilities in integrated renovation solutions, product adaptability and complex-scenario delivery.





Management Discussion and Analysis

Growth Opportunities in Overseas Markets Continue to Expand

In the context of the high-quality co-construction of the Belt and Road, regional connectivity and the ongoing urbanisation process in emerging markets, the overseas railway transportation market continues to possess medium- to long-term development potential. Demand varies across countries and regions in areas such as new line construction, existing system upgrades, operational support, and digital services, with related project opportunities continuously extending to a broader geographic footprint. In the meantime, markets differ in terms of railway transportation construction stages, technical standards, procurement models, localisation requirements and project implementation conditions, resulting in varying levels of market maturity. As the client base, project experience and cooperation resources gradually accumulate, certain markets with a solid business foundation and favourable implementation conditions are expected to further generate sustainable project opportunities. The Group will leverage its Hong Kong platform and existing international business foundation to continuously broaden its overseas market coverage and, based on specific project conditions, gradually strengthen collaboration with local clients, partners and relevant resources.

Digital-Intelligent Technologies Accelerate Penetration into Industry Scenarios

At the national level, continued importance has been attached to the empowerment of the real economy and industrial upgrading with AI. AI is evolving from a general-purpose toolset to a driver of industry knowledge accumulation, business process re-engineering and vertical-scenario execution. Looking ahead, technologies such as AI, LLM, AI agents and multi-source data fusion will further penetrate railway transportation scenarios. The industry's digital-intelligent upgrading will gradually transition from standalone technology trials to scalable applications that are scenario-driven, productised and platform-based. Unlike general technical capabilities, railway transportation scenarios demand a stronger focus on safety and reliability, real-time response, data governance and accountability; companies with industry knowledge, engineering experience and system integration capabilities will have greater competitive advantages. The Group will, based on its existing business foundation and project scenarios, continuously push forward with the application verification and product transformation of relevant technologies, and enhance its digital-intelligent products and comprehensive service capabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 608 employees (31 December 2025: 627).

During the first half of 2026, total staff costs (including Directors' emoluments) amounted to approximately HK\$131.1 million (first half of 2025: approximately HK\$126.0 million). The Group reviewed its remuneration system with reference to market wage levels and employees' performance, and adjusted salaries according to employees' rank and grade promotion. In addition to basic salaries, bonuses were also paid based on the Group's performance and employees' contributions. Other benefits included contributions to the PRC social insurance schemes, provident fund, supplementary medical insurance, Hong Kong Mandatory Provident Fund scheme and insurance contributions. The Group also arranged professional and vocational training for employees.

Management Discussion and Analysis

INTERIM DIVIDEND

The Board does not declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil). The Group will retain cash to fund its ongoing business development and future investment opportunities.

MATERIAL ACQUISITIONS OR DISPOSALS

During the Period, the Company had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS

Capital Metro was established on 15 February 2016, with equity interest held by the Group and an independent third party, Beijing Subway, as to 49% and 51%, respectively. Regarding the registered capital of RMB500 million, the Group and Beijing Subway contributed RMB245.0 million and RMB255.0 million, respectively. Capital Metro is principally engaged in investing, constructing, operating, managing subway lines, operating value-added services and related property development, including managing the operation of Beijing Capital International Airport Express, Dongzhimen Terminal and new lines of the Beijing Subway.

Capital Metro is a private company and there is no quotable share price available. As at 30 June 2026, the carrying amount of the Group's share of net assets of Capital Metro accounted for using the equity method was approximately HK\$297.0 million, accounting for approximately 5.8% of the Group's total assets as at 30 June 2026. In the first half of 2026, the Group's share of the profit of Capital Metro was approximately HK\$16.1 million.

Save as disclosed in sections "Investment and Joint Venture Cooperation" and "Material Acquisitions or Disposals" of this report, in addition to the above disclosures, there were no other significant investments held and other plans for material investments or capital assets for the six months ended 30 June 2026.

RISK FACTOR ANALYSIS

Risk from Policy Environment

The development of the railway transportation industry is closely related to national and local industrial policies, project approvals and investment arrangements. As regulatory requirements for urban rail transit planning and construction continue to tighten, greater emphasis has been placed on local fiscal capacity, debt levels, passenger flow support and investment returns, while the pace of new line construction has generally slowed, which may affect the Group's order acquisition for related businesses and project implementation progress. Meanwhile, as fee reduction policies for civil communications are gradually implemented, the revenue potential and profitability of the relevant businesses have been affected to a certain extent. Further adjustments to railway transportation construction, charging mechanisms and other relevant industry policies may bring certain uncertainties to the operation of some of the Group's businesses.

The Group will strengthen policy analysis and risk alerts, seize the opportunities arising from the implementation of the national and Beijing municipal 15th Five-Year Plans, actively align with key initiatives such as the integrated development of Beijing's "Six Networks", and adjust its business strategies and resource allocation in a timely manner. While consolidating its existing business foundation, the Group will actively capture opportunities arising from legacy line renewal and renovation, digital-intelligent upgrading and related smart-scenario businesses.



Management Discussion and Analysis

Risk from Market Competition

Affected by factors including fiscal pressure in certain local regions and the slower pace of investment in and implementation of new railway transportation projects, the incremental market space for traditional greenfield projects has narrowed and industry competition has further intensified. Market resources and high-quality projects are increasingly concentrated among leading players with strengths in technology, products, project delivery and integrated service capabilities. Against this backdrop, certain businesses and market segments in which the Group has relatively limited competitive advantages may face greater competitive pressure. If the Group fails to adjust its business portfolio and resource allocation in a timely manner, its project acquisition, profitability and overall operating efficiency may be adversely affected.

On the one hand, the Group will continue to strengthen domestic and overseas market expansion, actively explore incremental opportunities in new overseas markets and the legacy line renewal and renovation market, while continuing to deepen its presence in key regions and maintain key customer relationships, and leverage its strengths in technology, products and project experience to enhance its ability to secure high-quality projects. On the other hand, the Group will further strengthen internal resource integration and optimise its business structure, promote the concentration of capital, talent, R&D and other resources towards businesses with competitive advantages and core capabilities, prudently control resource investment in lower-return businesses and areas where the Group does not possess clear competitive advantages, and continuously improve resource allocation efficiency and overall competitiveness.

Risk from Technology Implementation

New technologies such as AI, LLM, AI agents and embodied intelligence are accelerating their penetration into the railway transportation industry. The Group has also continued to advance the R&D and scenario-based application of relevant technologies and has achieved certain phased results. However, given the stringent safety requirements, complex business processes and high real-time performance requirements of the railway transportation industry, the large-scale application of new technologies following pilot testing and verification still faces multiple barriers in areas such as scenario adaptability, system stability, data security and safety boundaries. In particular, as embodied intelligence technologies are further applied in actual operating environments such as stations and comprehensive transportation hubs, their behavioural boundaries, operational safety, human-machine collaboration and accountability mechanisms still require continuous verification and improvement. Failure of the relevant technologies to effectively meet industry safety requirements and business application needs may affect the transformation of R&D results and the progress of large-scale application.

The Group will continue to improve the adaptability of vertical-domain LLMs and AI agent technologies to professional railway transportation scenarios, strengthen the integration and application of industry knowledge, operating data and business rules, and enhance the reliability, stability and controllability of models and systems in professional scenarios. Meanwhile, the Group will continue to improve safety boundaries and technical validation mechanisms for the application of AI and embodied intelligence, and strengthen research on safety rules, human-machine interaction and abnormal-event handling based on actual operating scenarios, so as to steadily advance scenario verification, productisation and large-scale application of the relevant technologies while ensuring safety and reliability.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap 571 of the Laws of Hong Kong (the "SFO")) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules were as follows:

Long positions in shares and underlying shares

Director	Company/Corp.	Capacity	No. of Shares	Approx. %
Mr. Cao Mingda ^(Note)	Company	Founder of a discretionary trust who can influence how the trustee exercises its discretion	244,657,815	11.66%

Note: Mr. Cao Mingda is the founder of a discretionary trust and is interested in 244,657,815 shares of the Company through Trident Trust Company (Cayman) Limited, the trustee of the trust, through its controlled company, More Legend.

Save as disclosed in this report, as at 30 June 2026, so far as was known to the Directors or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Other Information

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

As at 30 June 2026, so far as was known to the Directors or the chief executive of the Company, the persons (other than the Directors and the chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in shares and underlying shares of the Company

Name of Substantial Shareholder	Capacity	No. of Shares	Approx. %
BII HK	Beneficial owner ^(Note 1)	1,157,634,900	55.20%
BII	Interest of controlled corporation ^(Note 1)	1,157,634,900	55.20%
More Legend	Beneficial owner ^(Note 2)	244,657,815	11.66%
Toplight Management Limited	Interest of controlled corporation ^(Note 2)	244,657,815	11.66%
Trident Trust Company (Cayman) Limited	Trustee ^(Note 2)	244,657,815	11.66%
Ms. Pang Ziqian (" Ms. Pang ")	Interest of spouse ^(Note 3)	244,657,815	11.66%

Notes:

1. BII HK is a wholly-owned subsidiary of BII, a company established under PRC law with limited liability and wholly owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. By virtue of the SFO, BII is deemed to be interested in the 1,157,634,900 shares of the Company owned by BII HK.
2. More Legend is a wholly-owned subsidiary of Toplight Management Limited and Trident Trust Company (Cayman) Limited is interested in all the shares in Toplight Management Limited as trustee of the trust. By virtue of the SFO, Toplight Management Limited and Trident Trust Company (Cayman) Limited are deemed to be interested in 244,657,815 shares of the Company owned by More Legend.
3. Ms. Pang is the spouse of Mr. Cao Mingda and by virtue of the SFO, is deemed to be interested in the 244,657,815 shares of the Company which Mr. Cao Mingda is interested in.

Save as disclosed above, as at 30 June 2026, the Directors have not been notified by any person (other than the Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has devised its own code of conduct for securities transactions regarding Directors' and employees' dealings in the Company's securities (the "**Securities Dealing Code**") on terms no less exacting than the standard set out in the Model Code.

Specific enquiry has been made with all the Directors and employees to whom the Securities Dealing Code applies. The Directors have confirmed that they have complied with the Securities Dealing Code and Model Code throughout the six months ended 30 June 2026. No incident of non-compliance with the Securities Dealing Code by the employees was noted by the Company.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries held any treasury shares.

SHARE SCHEMES

During the reporting period, the Company did not operate any share scheme (as defined under Chapter 17 of the Listing Rules).

CHANGES IN DIRECTORS' INFORMATION

As at the date of this report, there has been no change in directors' information which is required to be disclosed pursuant to Rules 13.51(2) and 13.51B of the Listing Rules.





Other Information

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules. The written terms of reference of the Audit Committee were adopted in compliance with code provisions D.3.3 and D.3.7 of the Corporate Governance Code.

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

As at 30 June 2026, the Audit Committee comprises three independent non-executive Directors, namely Mr. Luo Zhenbang (Chairman of the Audit Committee), Mr. Huang Lixin and Ms. Ng Wing Yan Claudia.

REVIEW OF INTERIM FINANCIAL REPORT

The interim financial report is unaudited, but has been reviewed by Baker Tilly Hong Kong Limited, the Company's independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of interim financial information performed by the independent auditor of the entity*” issued by the Hong Kong Institute of Certified Public Accountants.

In addition, the Audit Committee has also reviewed the interim financial report of the Group for the six months ended 30 June 2026 and has discussed with the management of the Company and Baker Tilly Hong Kong Limited, including the review of the accounting principles and practices adopted by the Group, and is of the opinion that such financial report complies with applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board considers that the Company has complied with the Corporate Governance Code as set out in Appendix C1 of the Listing Rules during the six months ended 30 June 2026.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, no other significant events after the reporting period have occurred.

Definitions

Artificial Intelligence (人工智能)	"AI"
Association of Southeast Asian Nations (東南亞國家聯盟)	"ASEAN"
Automated Fare Collection (自動售檢票)	"AFC"
Automatic Fare Collection Clearing Centre (自動售檢票清算中心)	"ACC"
Baoding Cornerstone Lianying Venture Capital Investment Fund Centre (Limited Liability Partnership)* (保定基石連盈創業投資基金中心(有限合夥))	"Cornerstone Lianying"
Beijing Capital Metro Co., Ltd.* (北京京城地鐵有限公司)	"Capital Metro"
Beijing Cornerstone Chuangying Investment Center (Limited Partnership)* (北京基石創盈投資中心(有限合夥))	"Cornerstone Chuangying"
Beijing Cornerstone Huiying Venture Capital Centre (Limited Liability Partnership)* (北京基石慧盈創業投資中心(有限合夥))	"Cornerstone Huiying"
Beijing Infrastructure Investment Co., Ltd.* (北京市基礎設施投資有限公司)	"BII"
Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司)	"BII HK"
Beijing Metro Science and Technology Development Co., Ltd.* (北京地鐵科技發展有限公司)	"Metro Technology"
Beijing Ruubypay Science and Technology Co., Ltd.* (北京如易行科技有限公司)	"Ruubypay"
Beijing SmartTOD Technology Development Co., Ltd.* (北京京智網智慧科技發展有限公司)	"SmartTOD Technology"
BII Railway Technology Development Holdings Company Limited* (京投軌道科技發展有限公司)	"BII Railway"
BII Railway Transportation Technology Holdings Company Limited (京投軌道交通科技控股有限公司)	"the Company"
BII Railway Transportation Technology Holdings Company Limited and its subsidiaries (京投軌道交通科技控股有限公司及其附屬公司)	"the Group"

Definitions

BII Transit Systems (HK) Co., Ltd* (京投交通科技(香港)有限公司)	"BII-TSHK"
Board of Directors	"Board"
Great Legend Development Limited	"Great Legend"
Internet of Things	"IoT"
Large Language Model	"LLM"
Litmus Technologies (Beijing) Co., Ltd.* (北京樂碼仕智能科技有限公司)	"Litmus"
More Legend Limited	"More Legend"
Operation and Maintenance	"O&M"
Ordinary share(s) of HK\$0.01 each in the share capital of the Company	"Share(s)"
Passenger Information System (乘客信息系統)	"PIS"
Research and Development	"R&D"
Shareholder(s) of the Company	"Shareholder(s)"
Suzhou Huaqi Intelligent Technology Co., Ltd.* (蘇州華啟智能科技股份有限公司)	"Huaqi Intelligent"
the director(s) of the Company	"Director(s)"
The Rules Governing the Listing of Securities on the Stock Exchange	"Listing Rules"
the six months ended 30 June 2026	"Period"
The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)	"Stock Exchange"
Traffic Control Centre/Centralised Operation Control Centre (線網指揮中心)	"TCC", "COCC"
Youdao Technology Co., Ltd	"Youdao Technology"

* For identification purposes only

Interim Review Report



**Interim Review Report to the Board of Directors of
BII Railway Transportation Technology Holdings Company Limited**
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 26 to 50 which comprise the condensed consolidated statement of financial position of BII Railway Transportation Technology Holdings Company Limited (the “Company”) and its subsidiaries as of 30 June 2026 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”), issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with IAS 34.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 27 August 2026

Wan Wing Ping

Practising Certificate Number P07471



Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026 (Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Revenue	4	428,386	565,862
Cost of sales		(307,889)	(359,320)
Gross profit		120,497	206,542
Other income and other gains/losses		4,954	11,019
Gain on disposal of an associate	10	5,629	–
Loss on disposal of a joint venture	10	–	(6,431)
Selling, general and administrative expenses		(111,763)	(109,208)
(Impairment loss)/reversal of impairment loss on trade, bills and other receivables and contract assets, net		(1,633)	4,326
Research and development expenses		(87,004)	(84,902)
(Loss)/profit from operations		(69,320)	21,346
Finance costs	5(a)	(4,711)	(7,107)
Share of results of joint ventures and associates		16,624	16,436
Fair value changes of other financial assets measured at fair value through profit or loss ("FVTPL")		(968)	356
(Loss)/profit before taxation	5	(58,375)	31,031
Income tax expense	6	(2,034)	(7,859)
(Loss)/profit for the period		(60,409)	23,172
Attributable to:			
Equity shareholders of the Company		(56,530)	24,876
Non-controlling interests		(3,879)	(1,704)
(Loss)/profit for the period		(60,409)	23,172
(Loss)/earnings per share			
Basic and diluted (HK\$)	7	(0.0270)	0.0119

The notes on pages 32 to 50 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 17.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026 (Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
(Loss)/profit for the period	(60,409)	23,172
Other comprehensive income/(expense) for the period, net of tax:		
Item that will not be reclassified to profit or loss:		
Other financial assets designated at fair value through other comprehensive income ("FVTOCI")		
Change in fair value	3,525	(26,598)
Tax effect	(529)	3,990
	2,996	(22,608)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	125,667	52,392
Other comprehensive income for the period	128,663	29,784
Total comprehensive income for the period	68,254	52,956
Attributable to:		
Equity shareholders of the Company	66,409	46,913
Non-controlling interests	1,845	6,043
Total comprehensive income for the period	68,254	52,956

The notes on pages 32 to 50 form part of this interim financial report.



Condensed Consolidated Statement of Financial Position

As at 30 June 2026 (Expressed in Hong Kong dollars)

	Note	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	8	242,038	252,311
Intangible assets		174,319	172,984
Goodwill	9	579,948	557,687
Interests in joint ventures and associates	10	325,859	298,985
Other financial assets		237,374	226,058
Deferred tax assets		34,453	35,801
		1,593,991	1,543,826
Current assets			
Inventories		670,459	493,554
Contract assets	11(a)	1,123,606	1,017,498
Trade and other receivables	12	871,343	1,202,219
Bank deposits and cash	13	844,689	820,638
		3,510,097	3,533,909
Current liabilities			
Trade and other payables	14	1,492,123	1,523,518
Contract liabilities	11(b)	124,389	25,643
Bank borrowings	15	102,945	116,251
Other borrowings	16	–	28,832
Lease liabilities		12,849	17,731
Current taxation		20,885	30,694
Provision for warranties		4,856	5,427
		1,758,047	1,748,096
Net current assets		1,752,050	1,785,813
Total assets less current liabilities		3,346,041	3,329,639

Condensed Consolidated Statement of Financial Position

As at 30 June 2026 (Expressed in Hong Kong dollars)

	Note	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Non-current liabilities			
Other borrowings	16	150,000	165,000
Lease liabilities		18,961	18,673
Deferred tax liabilities		33,097	31,935
Deferred income		2,662	2,558
Provision for warranties		2,970	4,313
		207,690	222,479
NET ASSETS		3,138,351	3,107,160
CAPITAL AND RESERVES			
Share capital		20,971	20,971
Reserves		2,933,586	2,909,120
Total equity attributable to equity shareholders of the Company		2,954,557	2,930,091
Non-controlling interests		183,794	177,069
TOTAL EQUITY		3,138,351	3,107,160

The notes on pages 32 to 50 form part of this interim financial report.



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 (Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company								Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Statutory reserves	Fair value reserve (non-recycling)	Exchange reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2025 (audited)	20,971	1,555,235	54,086	117,320	56,802	(232,604)	1,203,791	2,775,601	165,342	2,940,943
Changes in equity for the six months ended 30 June 2025:										
Profit/(loss) for the period	-	-	-	-	-	-	24,876	24,876	(1,704)	23,172
Other comprehensive (expense)/income	-	-	-	-	(22,608)	44,645	-	22,037	7,747	29,784
Total comprehensive (expense)/income	-	-	-	-	(22,608)	44,645	24,876	46,913	6,043	52,956
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(1,218)	(1,218)
Dividends approved in respect of the previous year (Note 17(b))	-	(50,332)	-	-	-	-	-	(50,332)	-	(50,332)
	-	(50,332)	-	-	-	-	-	(50,332)	(1,218)	(51,550)
Balance at 30 June 2025 (unaudited)	20,971	1,504,903	54,086	117,320	34,194	(187,959)	1,228,667	2,772,182	170,167	2,942,349
Balance at 1 January 2026 (audited)	20,971	1,504,903	54,086	134,798	49,373	(154,327)	1,320,287	2,930,091	177,069	3,107,160
Changes in equity for the six months ended 30 June 2026:										
Loss for the period	-	-	-	-	-	-	(56,530)	(56,530)	(3,879)	(60,409)
Other comprehensive income	-	-	-	-	2,996	119,943	-	122,939	5,724	128,663
Total comprehensive income/(expense)	-	-	-	-	2,996	119,943	(56,530)	66,409	1,845	68,254
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	4,880	4,880
Dividends approved in respect of the previous year (Note 17(b))	-	(41,943)	-	-	-	-	-	(41,943)	-	(41,943)
	-	(41,943)	-	-	-	-	-	(41,943)	4,880	(37,063)
Balance at 30 June 2026 (unaudited)	20,971	1,462,960	54,086	134,798	52,369	(34,384)	1,263,757	2,954,557	183,794	3,138,351

The notes on pages 32 to 50 form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026 (Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Operating activities		
Cash generated from operations	48,378	33,128
Interest received	3,044	3,260
Income tax paid	(6,907)	(8,101)
Net cash generated from operating activities	44,515	28,287
Investing activities		
Payment for the purchase of property, plant and equipment and intangible assets	(6,780)	(4,843)
Payment for the acquisition of interest of a subsidiary	–	(81,891)
Contingent consideration paid	–	(1,985)
Dividends received from associates	1,865	1,086
Withdrawal of bank deposits with original maturity over three months	275,401	–
Placement of bank deposits with original maturity over three months	(329,845)	–
Net cash used in investing activities	(59,359)	(87,633)
Financing activities		
Proceeds of bank borrowings	52,790	67,362
Repayment of bank borrowings	(70,519)	(41,286)
Proceeds of other borrowings	–	5,976
Repayment of other borrowings	(15,000)	(45,000)
Contribution from non-controlling interests	4,880	–
Capital element of lease rentals paid	(10,667)	(10,025)
Interest element of lease rentals paid	(636)	(839)
Interest paid	(3,812)	(7,020)
Dividends paid to non-controlling interests	–	(1,218)
Net cash used in financing activities	(42,964)	(32,050)
Net decrease in cash and cash equivalents	(57,808)	(91,396)
Cash and cash equivalents at 1 January	526,787	725,439
Effect of foreign exchange rate changes	13,264	6,146
Cash and cash equivalents at 30 June	482,243	640,189

The notes on pages 32 to 50 form part of this interim financial report.



Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

1 GENERAL INFORMATION

BII Railway Transportation Technology Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 7 January 2011 as an exempted company with limited liability under the Companies Law (2011 Revision), Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office address is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands. The principal place of business of the Company is Room 2502, 25/F, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Hong Kong.

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

The unaudited interim financial report of the Company and its subsidiaries (together referred to as the “Group”) is presented in Hong Kong dollars (“HK\$”) and all amounts have been rounded to the nearest thousand (“HK\$’000”), unless otherwise indicated.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange, including compliance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”), issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 27 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual consolidated financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual consolidated financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual consolidated financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by Baker Tilly Hong Kong Limited (the “Baker Tilly”) in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants. Baker Tilly’s independent review report to the Board of Directors is included on page 25.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to the IFRS Accounting Standards issued by the IASB to these consolidated financial statements for the current accounting period.

- Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures – Contracts referencing nature-dependent electricity
- Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments
- Annual improvements to IFRS Accounting Standards – Volume 11

None of these amendments have had a material effect on this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

DISAGGREGATION OF REVENUE

Disaggregation of revenue from contracts with customers by major service lines and geographical location of customers is as follows:

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major service lines		
– Revenue from intelligent passenger information services	157,734	251,791
– Revenue from digital-intelligence urban rail services	197,947	176,686
– Revenue from innovative development	72,705	137,385
	428,386	565,862
Disaggregated by geographical location of customers		
– Chinese Mainland	404,018	547,825
– Hong Kong	11,368	10,702
– Overseas	13,000	7,335
	428,386	565,862

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 4(b)(i).

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting

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

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

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

(i) SEGMENT RESULTS

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

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

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

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) SEGMENT RESULTS (CONTINUED)

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2026 and 2025 is set out below.

	Six months ended 30 June 2026				
	Intelligent passenger information services HK\$'000 (unaudited)	Digital-intelligence urban rail services HK\$'000 (unaudited)	Innovative development HK\$'000 (unaudited)	Business development investment HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Disaggregated by timing of revenue recognition					
Point in time	147,956	184,269	28,605	–	360,830
Over time	9,778	13,678	44,100	–	67,556
Revenue from external customers	157,734	197,947	72,705	–	428,386
Inter-segment revenue	8,269	–	423	–	8,692
Reportable segment revenue	166,003	197,947	73,128	–	437,078
Reportable segment profit	59,163	48,165	13,169	–	120,497
Share of results of joint ventures and associates	–	–	–	16,624	16,624

	Six months ended 30 June 2025				
	Intelligent passenger information services HK\$'000 (unaudited)	Digital-intelligence urban rail services HK\$'000 (unaudited)	Innovative development HK\$'000 (unaudited)	Business development investment HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Disaggregated by timing of revenue recognition					
Point in time	245,997	139,163	12,877	–	398,037
Over time	5,794	37,523	124,508	–	167,825
Revenue from external customers	251,791	176,686	137,385	–	565,862
Inter-segment revenue	3,284	918	679	–	4,881
Reportable segment revenue	255,075	177,604	138,064	–	570,743
Reportable segment profit	125,724	31,527	49,291	–	206,542
Share of results of joint ventures and associates	–	–	–	16,436	16,436

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(II) RECONCILIATION OF REPORTABLE SEGMENT (LOSS)/PROFIT

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Reportable segment profit	120,497	206,542
Share of results of joint ventures and associates	16,624	16,436
Other income and other gains/losses	4,954	11,019
Gain on disposal of an associate	5,629	–
Loss on disposal of a joint venture	–	(6,431)
Selling, general and administrative expenses	(111,763)	(109,208)
(Impairment loss)/reversal of impairment loss on trade, bills and other receivables and contract assets, net	(1,633)	4,326
Research and development expenses	(87,004)	(84,902)
Finance costs	(4,711)	(7,107)
Fair value changes of other financial assets measured at FVTPL	(968)	356
(Loss)/profit before taxation	(58,375)	31,031

(c) Seasonality of operations

The Group's main businesses are subject to seasonal fluctuations of the industry, and normally report higher revenue and segment profit in the second half of the year than the first half of the year.

For the twelve months ended 30 June 2026, the above segments reported revenue of approximately HK\$1,638,272,000 (for the twelve months ended 30 June 2025: HK\$1,753,653,000), and gross profit of approximately HK\$507,493,000 (for the twelve months ended 30 June 2025: HK\$636,579,000).

5 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Interest on bank borrowings	1,566	1,572
Interest on other borrowings	2,509	4,696
Interest on lease liabilities	636	839
	4,711	7,107

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

5 (LOSS)/PROFIT BEFORE TAXATION (CONTINUED)

(b) Other items:

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Amortisation of intangible assets	11,322	8,644
Cost of inventories (Note)	210,740	228,818
Depreciation charge		
– owned property, plant and equipment	17,215	16,848
– right-of-use assets	9,503	9,676
(Decrease)/increase in provision for warranties	(2,275)	3,411
Impairment loss/(reversal of impairment loss) on trade, bills and other receivables and contract assets, net	1,633	(4,326)
Staff costs	131,096	125,951
Interest income	(3,044)	(3,260)
Government grants	(1,856)	(8,810)
Net foreign exchange loss	22	612
Net loss on disposal of property, plant and equipment (Note 8)	34	46

Note:

Cost of inventories includes approximately HK\$30,995,000 (for the six months ended 30 June 2025: HK\$43,776,000) relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

6 INCOME TAX

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Current taxation – The People's Republic of China (the "PRC")		
Enterprise Income Tax ("EIT"):		
– Provision for the period (Note (iv) and (v))	1,665	4,623
– Withholding tax on transfer of shares (Note (ix))	–	5,849
	1,665	10,472
Current taxation – Hong Kong Profits Tax:		
– Provision for the period (Note (ii))	647	522
Deferred taxation:		
– Origination and reversal of temporary differences	(278)	(3,135)
	2,034	7,859

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

6 INCOME TAX (CONTINUED)

Notes:

- (i) The Company and its subsidiaries incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 16.5%), except for one subsidiary which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% (for the six months ended 30 June 2025: 8.25%) and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated on the same basis in 2025.
- (ii) The subsidiaries incorporated in jurisdictions other than the PRC, Hong Kong and India are not subject to any income tax, pursuant to the rules and regulations of their respective jurisdictions of incorporation.
- (iii) The subsidiary incorporated in India is subject to India Profits Tax rate of 25% for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 25%).
- (iv) The subsidiaries established in the PRC are subject to the PRC EIT rate of 25% for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 25%).
- (v) Certain subsidiaries established in the PRC have obtained approvals from the tax bureau to be taxed as enterprises with advanced and new technologies. As a result, these subsidiaries enjoyed the preferential PRC EIT rate of 15% for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 15%). In addition to the preferential PRC EIT rate, these subsidiaries are also entitled to an additional deductible tax allowance calculated at 80%/100% of the qualified research and development costs incurred by these subsidiaries (for the six months ended 30 June 2025: 80%/100%).
- (vi) Certain subsidiaries engaged in the encouraged industries in western region of the PRC and enjoyed a preferential PRC EIT rate of 15% for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 15%).
- (vii) During the six months ended 30 June 2026, certain subsidiaries established in the PRC met the criteria of Small Low-profit Enterprise and enjoyed a preferential income tax policy. As such, for these subsidiaries, the first Renminbi ("RMB") 1 million of taxable profits are taxed at an effective tax rate of 2.5% (for the six months ended 30 June 2025: 2.5%); the second and third RMB1 million of taxable profits are taxed at an effective tax rate of 5% (for the six months ended 30 June 2025: 5%).
- (viii) Under the Law of the PRC EIT, 10% (for the six months ended 30 June 2025: 10%) withholding tax is levied on dividend from enterprises established in Chinese Mainland to enterprises established outside Chinese Mainland.
- (ix) Under the Law of the PRC EIT, 10% (for the six months ended 30 June 2025: 10%) withholding tax is levied on gain from transfer of shares in enterprises established in Chinese Mainland by the enterprises established outside Chinese Mainland.
- (x) The Group is operating in certain jurisdictions where the Global Anti-Base Erosion Model Rules ("Pillar Two Rules") are effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%. The management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

7 BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share for the six months ended 30 June 2026 is based on the loss attributable to ordinary equity shareholders of the Company of HK\$56,530,000 (for the six months ended 30 June 2025: profit attributable to ordinary equity shareholders of the Company of HK\$24,876,000) and the weighted average of 2,097,146,727 ordinary shares (for the six months ended 30 June 2025: 2,097,146,727 ordinary shares) in issue during the interim period.

The Group has no dilutive ordinary shares outstanding for the six months ended 30 June 2026 and 2025. Therefore, there was no difference between basic and diluted (loss)/earnings per share.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2026, the Group received rent concessions from a landlord for existing leased office which should be accounted for as a lease modification and resulted in a decrease in right-of-use assets by HK\$143,000 (for the six months ended 30 June 2025: no lease modification for the period). Besides, the Group entered into a number of lease agreements for use of buildings and therefore recognised the additions to right-of-use assets of approximately HK\$4,720,000 (for the six months ended 30 June 2025: HK\$1,697,000).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of approximately HK\$2,147,000 (for the six months ended 30 June 2025: HK\$2,837,000).

Items of property, plant and equipment with a carrying amount of approximately HK\$34,000 were disposed of during the six months ended 30 June 2026 (for the six months ended 30 June 2025: HK\$46,000), resulting in a net loss of disposal of approximately HK\$34,000 (for the six months ended 30 June 2025: HK\$46,000).

9 GOODWILL

Goodwill is allocated to the Group's cash-generating units identified according to the operations of the Group as follows:

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Operations in the provision of intelligent passenger information services	515,253	495,475
Operations in the provision of digital-intelligence urban rail services	54,372	52,285
Operations related to the innovative development	10,323	9,927
	579,948	557,687

During the six months ended 30 June 2026, these operations continued to be profit-making, hence no impairment indicator for goodwill has been identified.

10 INTERESTS IN JOINT VENTURES AND ASSOCIATES

During the six months ended 30 June 2026, the Group disposed of an associate, Tianjin Wuyang Zhitong Intelligent Technology Co., Ltd.* (天津五洋智通智能科技有限公司) for a consideration of approximately RMB4,949,000 (equivalent to approximately HK\$5,629,000), resulting in a net gain on disposal of approximately HK\$5,629,000. As at 30 June 2026, the consideration receivable amounting to HK\$5,629,000 is to be received by the end of 2026.

During the six months ended 30 June 2025, the Group disposed of a joint venture, Beijing Metro Science and Technology Development Co., Ltd.* (北京地鐵科技發展有限公司) for a consideration of approximately RMB68,332,000 (equivalent to approximately HK\$74,564,000), resulting in a net loss on disposal of approximately HK\$6,431,000.

* The official name of the entity is in Chinese. The English name is for identification purpose only.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

11 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Contract assets		
Arising from performance under contracts with customers	1,179,962	1,070,150
Less: loss allowance	(56,356)	(52,652)
	1,123,606	1,017,498

(b) Contract liabilities

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Contract liabilities		
Service contracts		
– Billings in advance of performance	124,389	25,643

Contract liabilities primarily arose from intelligent passenger information services segment and digital intelligence urban rail services segment. The significant increase during the period was mainly attributable to advance payments of approximately HK\$83,500,000 received from transit authorities upon the award and commencement of passenger information systems and railway communication infrastructure projects. These contract liabilities will be recognised as revenue as the Group fulfils its performance obligations and achieves the relevant system integration milestones.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

12 TRADE AND OTHER RECEIVABLES

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Trade receivables	622,880	705,925
Bills receivable	182,089	481,918
	804,969	1,187,843
Less: loss allowance	(59,446)	(57,472)
Trade and bills receivables, net of loss allowance	745,523	1,130,371
Prepayments, deposits and other receivables	97,100	59,921
Consideration receivable from disposal of an associate (Note 10)	5,629	–
	102,729	59,921
Less: loss allowance	(12,052)	(11,208)
	90,677	48,713
Value-added tax recoverable	35,143	23,135
	871,343	1,202,219

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

As at 31 December 2025, trade and bills receivables amounting to HK\$28,832,000 have been pledged as security for the Group's other borrowings (see Note 16). The pledge is discharged upon the settlement of factoring loans during the six months ended 30 June 2026.

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

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Within 1 year	544,034	903,905
Over 1 year	201,489	226,466
	745,523	1,130,371

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

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

13 BANK DEPOSITS AND CASH

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Cash and cash equivalents in the condensed consolidated statement of cash flows	482,243	526,787
Bank deposits with original maturity over three months	337,344	268,077
Restricted bank deposits	25,102	25,774
Bank deposits and cash in the condensed consolidated statement of financial position	844,689	820,638

The Group's operations in Chinese Mainland are conducted in Renminbi ("RMB"). RMB is not a freely convertible currency and the remittance of RMB out of Chinese Mainland is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

14 TRADE AND OTHER PAYABLES

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Trade payables	1,215,147	1,170,279
Bills payable	69,304	137,038
Trade and bills payables	1,284,451	1,307,317
Accrued expenses and other payables	106,861	133,979
Dividend payable to equity shareholders of the Company (Note 17(b))	41,943	–
Other taxes payables	58,868	82,222
	1,492,123	1,523,518

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

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

14 TRADE AND OTHER PAYABLES (CONTINUED)

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

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Due within 1 month or on demand	1,237,943	1,184,840
Due after 1 month but within 6 months	46,508	122,477
	1,284,451	1,307,317

15 BANK BORROWINGS

All of the bank borrowings are unguaranteed, unsecured and repayable within one year. As at 30 June 2026, bank borrowings bear fixed interest rates ranging from 2.30% to 2.80%, except for an amount of HK\$5,757,000 which bore a variable interest rate at Loan Prime Rate minus 70 basis points (31 December 2025: fixed interest rates ranging from 2.60% to 2.80%, except for an amount of HK\$16,607,000 which bore a variable interest rate at Loan Prime Rate minus 65 to 70 basis points).

Some of the Group's bank borrowings are subject to fulfilment of covenants commonly found in lending agreements with financial institutions. If the Group were to breach the covenants, the drawn down borrowings would become payable on demand. The Group's management regularly monitors its compliance with these covenants. As at 30 June 2026 and 31 December 2025, none of the covenants relating to the drawn down facilities has been breached.

16 OTHER BORROWINGS

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Current liabilities		
Factoring loans (Note (i))	–	28,832
Non-current liabilities		
Other borrowing (Note (ii))	150,000	165,000
Total	150,000	193,832

Notes:

- (i) As at 31 December 2025, the factoring loans were unguaranteed and secured by trade and bills receivables amounting to HK\$28,832,000 (Note 12), bore fixed interest rate of ranging from 1.03% to 1.95% per annum and were repayable within one year.
- (ii) As at 30 June 2026 and 31 December 2025, other borrowing is secured by the Company's 20% equity interests in a subsidiary, interest-bearing at a variable interest rate at 1 month Hong Kong Interbank Offered Rate plus 70 basis points per annum and is payable in 2027.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

17 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

	Six months ended 30 June	
	2026	2025
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Final dividend in respect of the previous financial year, approved during the following interim period, of HK\$2.0 cents (for the six months ended 30 June 2025: HK\$2.4 cents) per ordinary share	41,943	50,332

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial instruments measured at fair value

(i) FAIR VALUE HIERARCHY

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group has a team headed by the finance manager performing valuations for the financial instruments, including unlisted equity securities which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the Chief Financial Officer and the directors. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the Chief Financial Officer. Discussion of the valuation process and results with the Chief Financial Officer and the directors is held twice a year, to coincide with the reporting dates.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments measured at fair value (continued)

(i) FAIR VALUE HIERARCHY (CONTINUED)

	Fair value at 30 June 2026 HK\$'000 (unaudited)	Fair value measurement as at 30 June 2026 categorised into Level 3 HK\$'000 (unaudited)
Recurring fair value measurement		
Financial assets:		
Other financial assets measured at FVTPL	61,264	61,264
Other financial assets designated at FVTOCI	176,110	176,110

	Fair value at 31 December 2025 HK\$'000 (audited)	Fair value measurement as at 31 December 2025 categorised into Level 3 HK\$'000 (audited)
Recurring fair value measurement		
Financial assets:		
Other financial assets measured at FVTPL	60,140	60,140
Other financial assets designated at FVTOCI	165,918	165,918

During the six months ended 30 June 2026 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments measured at fair value (continued)

(ii) INFORMATION ABOUT LEVEL 3 FAIR VALUE MEASUREMENTS

Other financial assets measured at FVTPL

The valuation model of the fair value of unlisted equity investment in Beijing Cornerstone Huiying Venture Capital Investment Centre (Limited Liability Partnership) is based on adjusted recent transaction price of the underlying investments or the market multiples (i.e. price to earnings multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 28.3% (31 December 2025: 34.2%) of the underlying investments.

The Group determines the fair value of unlisted equity investment in Youdao Technology Co., Ltd. based on market multiples (i.e. price to earnings multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 33.9% (31 December 2025: 31.5%).

As at 30 June 2026, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have decreased/increased the Group's loss by HK\$3,629,000 (31 December 2025: a decrease/increase in discount for lack of marketability by 1% would have increased/decreased the Group's profit by HK\$3,800,000).

Other financial assets designated at FVTOCI

The valuation model of the fair value of unlisted equity investment in Beijing Ruubypay Science and Technology Co., Ltd. is based on market multiples (i.e. enterprise value to earnings before interest, tax, depreciation, and amortisation multiple/price to sales multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 33.9% (31 December 2025: 33.9%).

The Group determines the fair value of unlisted equity investment in Baoding Cornerstone Lianying Venture Capital Investment Fund Centre (Limited Liability Partnership) based on market multiples (i.e. price to earnings multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 16.6% (31 December 2025: 21.0%).

As at 30 June 2026, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have decreased/increased the Group's other comprehensive income by HK\$4,032,000 (31 December 2025: HK\$4,004,000).

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments measured at fair value (continued)

(ii) INFORMATION ABOUT LEVEL 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The movements during the interim period in the balance of Level 3 fair value measurements are as follows:

	Six months ended 30 June	
	2026 HK\$'000	2025 HK\$'000
Other financial assets measured at FVTPL:		
Balance at 1 January (audited)	60,140	67,803
Changes in fair value recognised in profit or loss	(968)	356
Exchange adjustments	2,092	1,051
Balance at 30 June (unaudited)	61,264	69,210
Other financial assets designated at FVTOCI:		
Balance at 1 January (audited)	165,918	129,584
Net unrealised gains or losses recognised in other comprehensive income	3,525	(26,598)
Exchange adjustments	6,667	1,756
Balance at 30 June (unaudited)	176,110	104,742

(b) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 30 June 2026 and 31 December 2025.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

19 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company and certain of the highest paid employees of the Group is as follows:

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Short-term employee benefits	1,856	1,545
Retirement scheme contributions	349	329
	2,205	1,874

(b) Related party transactions

TRANSACTIONS WITH ULTIMATE HOLDING COMPANY AND ITS AFFILIATES

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Interest expense	1,996	4,440
Revenue from intelligent passenger information services	1,305	1,422
Revenue from digital-intelligence urban rail services	176,135	114,253
Revenue from innovative development	6,650	7,101
Purchases of goods and services	50,239	27,813

TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATES

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Purchases of goods and services	27,001	79,694
Dividends received	1,865	1,086

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

19 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances

BALANCES WITH ULTIMATE HOLDING COMPANY AND ITS AFFILIATES

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Trade receivables	77,489	106,593
Prepayments, deposits and other receivables	5,289	4,559
Contract assets	394,005	335,523
Contract liabilities	26,690	14,283
Trade payables	135,689	102,232
Accrued expenses and other payables	16,667	18,548
Other borrowings	150,000	165,000

BALANCES WITH JOINT VENTURES AND ASSOCIATES

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Trade receivables	15,376	16,092
Prepayments, deposits and other receivables	178	1,998
Contract assets	2,477	957
Trade payables	27,355	27,858

Except for other borrowings which are secured, interest bearing and repayable according to contract terms (Note 16), all the above balances are unsecured, interest-free and repayable on demand or according to the relevant contract terms.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

19 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Transactions with other state-controlled entities in the PRC

The ultimate holding company of the Company, Beijing Infrastructure Investment Co., Ltd. ("BII"), is an enterprise controlled by the PRC government. Apart from transactions with BII and its affiliates which were disclosed in Notes 19(b) and 19(c) above, the Group also has transactions with other state-controlled entities, included but not limited to the following:

- provision of hardware and software products and services of high-speed railways, intercity railways, suburban railways and metro system;
- provision of hardware and software products and services of intelligent railways transportation and intelligent operation and maintenance;
- provision of information system services of civil communication transmission systems, utility tunnel areas and integrated transportation hubs;
- bank deposits;
- bank borrowings; and
- purchase of other financial assets.

The above transactions were entered into in the Group's ordinary course of business. The pricing and the selection of suppliers, service providers and financial institutions are not dependent on whether the counterparties are state-controlled entities or not. The directors of the Company are of the view that separate disclosures of these transactions would not be meaningful.

In the opinion of the management of the Group, the above transactions are collectively significant transactions of the Group with state-controlled enterprise controlled by the PRC government.

20 COMPARATIVE FIGURES

Certain comparative figures have been re-presented in order to conform to the current period's presentation.