China Railway Signal & Communication Corporation Limited*
中國鐵路通信信號股份有限公司

(A joint stock limited libility company incorporated in the People's Republic of China)

Stock Code: 3969

2026
Interim Report

* For identification only

IMPORTANT NOTICE

I. THE BOARD OF THE COMPANY AND THE DIRECTORS AND MEMBERS OF THE SENIOR MANAGEMENT WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE CONTENTS HEREIN AND CONFIRM THAT THERE ARE NO MISREPRESENTATIONS OR MISLEADING STATEMENTS CONTAINED IN, OR MATERIAL OMISSIONS FROM, THIS INTERIM REPORT, AND ACCEPT SEVERAL AND JOINT LEGAL RESPONSIBILITIES.

II. WARNING OF SIGNIFICANT RISKS

The Company has described the risk factors in detail in this report. For the description of relevant risks, please refer to "Management Discussion and Analysis" under Section III of this report.

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

IV. THIS INTERIM REPORT WAS UNAUDITED.

V. LOU QILIANG, PERSON-IN-CHARGE OF THE COMPANY, LI LIANQING, CHIEF FINANCIAL OFFICER, AND LIU HUAFENG, HEAD OF THE FINANCE DEPARTMENT (PERSON IN CHARGE OF ACCOUNTING), CONFIRM THAT THE FINANCIAL REPORT IN THIS INTERIM REPORT IS TRUE, ACCURATE AND COMPLETE.

VI. PROFIT DISTRIBUTION PLAN OR RESERVES-TO-EQUITY TRANSFER PLAN DURING THE REPORTING PERIOD AS CONSIDERED AND APPROVED BY THE BOARD

None

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

☐ Applicable ☑ Not applicable

VIII. DISCLAIMER OF FORWARD-LOOKING STATEMENTS

☑ Applicable ☐ Not applicable

This report contains forward-looking statements that are based on some subjective judgements and prospective assumptions with precedent conditions to the domestic and overseas economic trends and macro policies in the future. The judgements and assumptions may change under the influence of constraints. The final results or trends may differ from these forward- looking statements.

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

IX. WHETHER THE CONTROLLING SHAREHOLDER OR OTHER RELATED PARTIES HAVE MISAPPROPRIATED THE COMPANY' S FUNDS FOR PURPOSES OTHER THAN FOR BUSINESS

No

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

No

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

No

XII. OTHERS

☐ Applicable ☑ Not applicable

CONTENTS

Documents Available for Inspection	The financial report signed and stamped by the legal representative, chief financial officer and the person in charge of accounting of the Company.
	Original copies of all documents and announcements of the Company disclosed publicly during the Reporting Period.
	Interim report published in other securities markets.

SECTION I DEFINITIONS

I. DEFINITIONS

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

Definition of common words

A share(s)	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the SSE and traded in RMB
ATO	Automatic Train Operation, the automatic train operation system, a system that automatically adjusts the speed and operation status of trains to automatically control a train's operation.
ATP	Automatic Train Protection, the automatic train protection equipment that automatically brakes train when it exceeds speed limits.
Board	the board of directors of the Company
CBTC	Communication Based Train Control System, train control system for urban transit, the wireless communication-based automatic train control system, a wireless communication system for urban transit that enables bidirectional communication between vehicle and ground facilities to control the operation of trains
China or the PRC	the People's Republic of China, which for the purposes of this report excludes Hong Kong, Macau and Taiwan
China Railway	China State Railway Group Co., Ltd. (中國國家鐵路集團有限公司)
CRSC Group	China Railway Signal and Communication (Group) Corporation Limited (中國鐵路通信信號集團有限公司), the controlling shareholder of the Company
CRSC or Company	China Railway Signal & Communication Corporation Limited* (中國鐵路通信信號股份有限公司)
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
CTCS	Chinese Train Control System, developed by China for ensuring the safe operation of trains, which is divided into 0 to 4 levels based on function and equipment configuration according to the operational requirements of different lines. The higher the level, the faster the train speed applied and the higher the technical difficulty.
Director(s)	the director(s) of the Company

Group	the Company and its subsidiaries
H share(s)	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Reporting Period	the six months from January 1, 2026 to June 30, 2026
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
SSE	the Shanghai Stock Exchange
TACS	Train Autonomous Circumambulation System, the autonomous train operation system, a signal system for a train to realize autonomous resource management and active interval protection based on the operation plan and real-time location of the train.

Note: In this report, figures shown as totals may not be an arithmetic aggregation of the figures preceding them due to rounding adjustments. Unless otherwise specified, the currency of the amounts listed in this report is RMB.

* *For identification purpose only*

SECTION II BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS

I. CORPORATE INFORMATION

Chinese name of the Company	中國鐵路通信信號股份有限公司
Chinese abbreviation	中國通號
English name of the Company	China Railway Signal & Communication Corporation Limited
English abbreviation	CRSC
Legal representative of the Company	LOU Qiliang
Registered office of the Company	20/F, CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC
Historical change of registered office of the Company	In November 2017, the Company's registered office was changed from B 49 Xisihuan South Road, Fengtai District, Beijing, the PRC to 20/F, CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC
Principal place of business	CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC
Postal code of principal place of business	100070
Website of the Company	www.crsc.cn
E-mail	ir@crsc.cn
Principal place of business in Hong Kong	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
Index to changes during the Reporting Period	None

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board (Domestic representative for information disclosure) and Joint Company Secretary
Name	LI Lianqing
Correspondence address	19/F, CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC
Telephone	+86 010-50809286
Fax	+86 010-50809075
E-mail	ir@crsc.cn

III. INFORMATION DISCLOSURE AND CHANGES IN PLACE OF INSPECTION

Newspapers designated by the Company for information disclosure	China Securities Journal (www.cs.com.cn), Shanghai Securities News (www.cnstock.com), Securities Times (www.stcn.com) and Securities Daily (www.zqrb.cn)
Websites for publishing the interim report of the Company	www.sse.com.cn, www.hkexnews.hk
Place of inspection of the interim report of the Company	Board Office of the Company

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

(I) Basic information of shares of the Company

☑ Applicable ☐ Not Applicable

Basic information of shares of the Company

Class of share	Place of listing and sector	Stock abbreviation	Stock code	Stock abbreviation before change
A share	SSE STAR Market	CRSC	688009	None
H share	Hong Kong Stock Exchange Main Board	CRSC	03969	None

(II) Basic information of depositary receipts of the Company

☐ Applicable ☑ Not Applicable

V. OTHER RELEVANT INFORMATION

☐ Applicable ☑ Not Applicable

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key accounting data

Unit: Yuan Currency: RMB

Key accounting data	For the Reporting Period (from January to June)	Corresponding period of last year	Change as compared with the corresponding period of last year (%)
Revenue	14,080,346,521.17	14,664,691,458.72	-3.98
Total profit	2,108,698,615.09	2,284,162,314.73	-7.68
Net profit attributable to shareholders of the listed company	1,473,454,789.53	1,620,509,774.40	-9.07
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company	1,410,985,979.01	1,558,511,840.27	-9.47
Net cash flows from operating activities	-807,321,589.07	-4,405,436,307.68	N/A

	As at the end of the Reporting Period	As at the end of last year	Change as compared with the end of last year (%)
Net assets attributable to shareholders of the listed company	49,495,688,949.83	49,843,067,278.35	-0.70
Total assets	117,268,504,847.49	118,321,690,651.90	-0.89

(II) Key financial indicators

Key financial indicators	For the Reporting Period (from January to June)	Corresponding period of last year	Change as compared with the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.14	0.15	-6.67
Diluted earnings per share (RMB/share)	0.14	0.15	-6.67
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.13	0.15	-13.33
Weighted average rate of return on net assets (%)	2.97	3.38	Decreased by 0.41 percentage point
Weighted average rate of return on net assets after deduction of non-recurring profit or loss (%)	2.84	3.25	Decreased by 0.41 percentage point
R&D investment as a percentage of revenue (%)	6.50	5.79	Increased by 0.71 percentage point

Explanations on the key accounting data and financial indicators of the Company

☑ Applicable ☐ Not Applicable

For details on changes in net cash flow from operating activities of the Company, please refer to X. Explanation of Performance Indicators of Non-enterprise Accounting Standards in this section.

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

☐ Applicable ☑ Not Applicable

VIII. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount
Gains or loss from disposal of non-current assets, including the portion offset from the provision for impairment of assets	-784,257.74
Government grants recognized as income in the current profit or loss, except for those closely related to the Company's normal operating activities, compliant with national policy regulations, received based on established criteria, and with a sustained impact on the Company's profit or loss	76,560,900.80
Reversal of impairment provision for receivables which are tested individually for impairment	6,151,134.28
Profit or loss on debt restructuring	-1,952.30
Other non-operating income and expenses apart from the aforesaid items	-14,057,127.80
Less: Effect of income tax	5,279,301.65
Effect of minority interest (after tax)	120,585.07
Total	62,468,810.52

Explain why identifying the items not listed in the Explanatory Notice on Information Disclosure of Companies with Public Offering No. 1-Non-recurring Profit and Loss《(公開發行證券的公司信息披露解釋性公告第1號－非經常性損益》) as non-recurring profit and loss items which are of significant amount and defining the non-recurring profit and loss items listed in the Explanatory Notice on Information Disclosure of Companies with Public Offering No. 1-Non-recurring Profit and Loss as recurring profit and loss items.

☐ Applicable ☑ Not Applicable

IX. COMPANIES WITH EQUITY INCENTIVES AND EMPLOYEE SHARE OWNERSHIP PLANS MAY CHOOSE TO DISCLOSE NET PROFIT AFTER THE EFFECT OF SHARE-BASED PAYMENTS

☐ Applicable ☑ Not Applicable

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

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

	Amount for the current period	Amount for the last period
Accounting indicator: Net cash flow from operating activities	-807,321,589.07	-4,405,436,307.68
Adjustment item: Net increase in customer deposits and interbank deposits	-363,167,641.40	-2,503,569,849.97
Non-GAAP financial indicator: Net cash flow from operating activities excluding net increase in customer deposits and interbank deposits	-444,153,947.67	-1,901,866,457.71

Reasons for selecting this non-GAAP financial indicator

The main reason for the Company to choose to exclude the net increase in customer deposits and interbank deposits from net cash flow from operating activities is that the net increase in customer deposits and interbank deposits reflects the changes in deposits taken by the Company's holding subsidiary, CRSC Financial, from its controlling shareholder, CRSC Group, and its subsidiaries. Excluding the impact of this item can better reflect the net cash flow from operating activities generated by the Company's core businesses, and help investors more accurately understand the Company's cash inflow from operating activities.

Explanation of changes in selected non-GAAP financial indicators or adjustment items compared to the previous year

☐ Applicable ☑ Not Applicable

Reasons for the increase or decrease of this non-GAAP financial indicator in the current period

In the first half of 2026, the Company's net cash flow from operating activities after excluding the net increase in customer deposits and interbank deposits increased by RMB1.458 billion over the previous period. This was primarily attributable to the decrease in payments for goods and services, which resulted from the decrease in payments to suppliers during the current period due to changes in the scale of the Company's business operations.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

I. DESCRIPTION OF THE INDUSTRY WHERE THE COMPANY OPERATED AND ITS MAJOR BUSINESSES DURING THE REPORTING PERIOD

i. Major businesses, major products or services

Since its establishment, the Company has undertaken the responsibility of developing national industries and technologies. It has long focused on the research and exploration of rail transit control system technologies and their derivative applications. As a core enterprise ensuring the safe operation of national rail transit, the Company continuously provides high-quality, integrated services across the entire industrial chain of rail transit control systems to global customers. The Company attaches great importance to the accumulation of technology and continuous innovation, and takes innovation as the eternal theme and the first driving force for the sustainable development of CRSC. In active response to the frontier of world science and technology, the Company accelerates scientific and technological innovation and transformation of achievements, leads the technological development of the industry, and strives to maintain the leading position in the industry. While providing safe and efficient core technical support for the operation of national rail transportation, the Company continues to utilise profound technological accumulation to expand new market, and support the national modernisation and digital development construction.

The core businesses of the Company's rail transportation cover: 1) Design and integration, mainly includes provision of system integration services for related products of rail transportation control system and provision of design and consultancy services mainly for construction of rail transportation projects; 2) Equipment manufacturing, mainly includes producing and selling signal system, communication information system products and other related products; 3) System implementation, mainly includes construction, equipment installation and maintenance services for rail transportation control system projects.

During the Reporting Period, adhering to the development philosophy of "people-oriented, safety first, and excellence for long-term success", and anchored to the strategic positioning of "a global leader in intelligent control industries", the Company deepened its presence in the two industrial sectors of "rail transit + low-altitude economy", deployed four intelligent system businesses in areas such as smart rail transit, smart low-altitude economy, smart cities, and intelligent operations, developed the intelligent terminal equipment industry, and forged five pillars including "Technological CRSC, Lean CRSC, Safe CRSC, Value CRSC, and Dynamic CRSC" to build a "major national asset" in the field of intelligent control and become a world-class intelligent control enterprise. The Company continued to optimise and upgrade the rail transit control system industry, accelerating the digital and intelligent upgrade of the signal industry and promoting the systematic development of product portfolios. It further consolidated its integrated advantages in the rail transit "three-in-one" full industrial chain. Continuing to deepen its presence in the low-altitude economy track, the Company leverages its core technological strengths in intelligent control to transfer rail transit control technologies and safety concepts from ground-based scenarios to low-altitude domains, building a full-industrial-chain landscape featuring the "Three Industries and One Ecosystem" for the low-altitude economy, and defining an overarching direction centred on systematic service capabilities. During the reporting period, the Company established a collaborative innovation system in partnership with academicians, and further advanced the application of core technologies covering air-space management and control, low-altitude communication, as well as sensing and countermeasure, to develop system-level solutions. Meanwhile, the Company proactively undertook the "Banner-Hanging Mission" research project initiated by the State-owned Assets Supervision and Administration Commission (SASAC). It innovatively proposed an intensive development model, under which existing metro resources were reused in the Qingdao project to substantially cut construction costs. An integrated "investment-construction-operation" model was implemented in Shijiazhuang to support the roll-out of the "Unified Network for Flight Management" business. In addition, relying on the Low-Altitude Transport Branch of China Association of Metros, the Company promoted standard-setting in the low-altitude transport sector, with its industry influence and discourse power steadily enhanced.

During the Reporting Period, the Company's core business remained to be rail transit control systems and its derivative business, with no significant changes in the business composition.

ii. Main business model

The Company has focused on the field of rail transportation control system in China, and has a deep understanding of China's railway and urban rail transit policy, operating model, market environment and other market elements. The business model adopted is fully adapted to the market environment, which is stable and efficient. The Company fully utilises its first-mover technological advantages in intelligent control and resource synergy capabilities, extending intelligent control technologies into the low-altitude economy sector. It continuously optimises technological innovation and system solutions in the low-altitude field and has innovatively proposed the "rail + low-altitude" integrated development model, where two pathways work together and develop synergistically.

The Company mainly acquires orders through public bidding, while the procurement of production raw materials primarily follows a centralised procurement model. In the rail transit sector, the Company relies on efficient and well-proven business models in design integration, equipment manufacturing, and system delivery to provide customers with comprehensive or customised professional services in rail transit control systems. In the low-altitude economy sector, the Company has been offering customers comprehensive solutions for low-altitude airspace control systems, manufacturing and sales of related equipment, and scenario operation services in industrial inspection, low-altitude logistics, and emergency rescue. In the field of smart cities, the Company provides clients with system products and services related to urban governance. In the field of intelligent operations, it focuses on businesses such as smart railway stations and yards, smart logistics parks, and smart mining operations, offering clients products and services in these areas.

1. Sales model

The Company is active in the purchasing by invitation to bid of domestic users as well as in the purchasing activities of foreign users. The market operations division of the Company, as the centralised management department of marketing and sales, is responsible for formulating and perfecting systems and formulating marketing management regulations, and supervising and inspecting the marketing and sales activities at all levels of the Company. Giving full play to its core technology and brand influence in the industry and adhering to the philosophy of providing safe and highly reliable products and high-efficiency services oriented at customer needs, the Company obtains orders for products and services through market-oriented methods such as bidding and business negotiations.

2. *Production and service mode*

In order to comply with the overall operation mode of railway and urban transit system in the PRC, the Company has established a mature and stable production and service model for design and integration, equipment manufacturing and system implementation etc. Relying on its strong technical strength, it can provide customised production and services according to the specific needs of domestic and foreign owners. The Company provides relevant products and services in strict accordance with the contract requirements on schedule and quality. The engineering technical division of the Company, as the centralised production and service management department for design and integration and system implementation, and the science and technology innovation and information department, as the centralised production and service management department for equipment manufacturing, are responsible for formulating relevant production and service management systems and for supervising and inspecting production and service activities at all levels of the Company, respectively.

3. *Procurement model*

All procurement activities of the Company were conducted in strict compliance with relevant national laws and regulations and the Administrative Measures for the Procurement in China Railway Signal & Communication Corporation Limited. The Company selected procurement methods including public tender, tender invitation and competitive negotiation according to the specific conditions to ensure procurement efficiency. The Company mainly implements a centralised procurement system, under which the Company's market operation division acts as the centralised management department for procurement activities and is responsible for formulating and revising the relevant system of procurement management, monitoring and reviewing the procurement activities at various levels of the Company. The centralised procurement system is carried out at two levels, including two modes, namely the centralised procurement by the Company's headquarters and the centralised procurement by subordinate secondary enterprises. Secondary enterprises also have a sound procurement management system, under which the procurement activities of subordinate enterprises are independently and centrally managed by the specialised procurement department.

4. *Management model*

The Company implements a market operation and management system with the headquarters of the joint-stock company taking the lead, secondary enterprises responsible for operation and tertiary enterprises responsible for implementation, to build a coherent, coordinated, scientific and efficient internal organisation system. By improving the management structure system of "headquarters – secondary enterprises – tertiary enterprises" and realizing the coordination of "strategy leading and control center – business operation and profit center – execution center and cost center," the headquarters highlight the six orientations of strategic decision-making, resource allocation, safety and quality supervision, science and technology innovation coordination, industrial incubation and risk management and control, and give play to strategic control, integration of scientific and technological resources, new industry incubation, etc., to build a stronger headquarters featuring "strategic + operational control." Positioned at the seven orientations of strategy execution, market development, business operation, income and profit, science and technology innovation, safety and quality management, and talent cultivation, secondary enterprises give play to the main role of operation, innovation and industry to achieve common enhancement of business and economic efficiency. Positioned at business execution and cost control, tertiary enterprises provide support for business, level up fine management, and increase efficiency and effectiveness, to create a more optimal input-output ratio.

iii. Industry overview

1. Industrial development stage, basic characteristics and main technical thresholds

Seen from the perspective of global rail transit industry, according to Oxford Economics' forecast on investment in infrastructure construction for all regions of the world, total investment amount in railroad around the globe is expected to grow from USD382 billion in 2020 to USD565 billion in 2040, at a compound annual growth rate of 1.88%. In terms of cumulative investment amount, cumulative investment in railroad infrastructure is expected to reach USD5,137 billion during the 21 years from 2020 to 2040 around the globe, excluding China. In addition to China, Europe is still the top destination of future investment in railroad infrastructure. From 2020 to 2040, cumulative investment in railroad in Europe will reach USD2,385 billion, with Asia (excluding China) ranking the second with an estimated investment of USD1,602 billion, followed by the Americas with an estimated investment of USD823 billion, Australia with an estimated investment of USD169 billion and Africa with an estimated investment of USD158 billion. Railroad infrastructure construction will maintain at a relatively high level around the globe. According to SCI Verkehr data projections, by 2026, the annual capacity of the global rail transit market will grow to approximately EUR236,000 million (equivalent to RMB1,960,000 million), with a compound annual growth rate of 4.3%. From a regional growth potential perspective, South and Central America, Africa and the Middle East, and the CIS regions stand out, with expected annual growth rates of 8.2%, 6.4%, and 5.9% respectively, emerging as new growth poles for global rail transit construction. Asia (3.2%) and Europe (4.2%) maintain steady development momentum, continuing to contribute incremental scale with their mature market foundations. In terms of global urban rail transit, according to statistics from the China Association of Metros, as of the end 2025, urban rail transit systems have been launched in 562 cities across 79 countries and regions worldwide, with a total operating mileage of 46,528.95 kilometers, of which metro, light rail and tram systems accounted for 48.98%, 13.91% and 37.11% respectively, indicating a steady and positive industry development trend.

Domestically, the railway sector saw three consecutive years of growth in fixed-asset investment from 2023 to 2025. By the end of 2025, the total fixed-asset investment in China's railway infrastructure reached RMB901,500 million. Railway fixed-asset investment is expected to maintain substantial scale and intensity. As of the end of 2025, China's total railway operational mileage reached 165,000 kilometers, including 50,000 kilometers of high-speed rail, reflecting continuous expansion in network coverage. Based on projected railway commissioning timelines, the annual average mileage of high-speed rail during the "15th Five-Year Plan" period brought into operation is expected to be approximately 2,000 kilometres, maintaining an overall high level. In 2025, China's railway passenger traffic reached 4.601 billion, representing a year-on-year increase of 6.7%. Total railway freight volume nationwide amounted to 5.277 billion tons, up 2.0% year-on-year. The rapid growth in passenger volume and steady development of freight operations have sustained the railway system's busy operations, which is expected to positively drive new and replacement demand for communication and signaling systems. With the continuous growth of China's railway operating mileage, investments in railway renovation and operation and maintenance have shown an increasing trend. More than 10,000 kilometers of high-speed railroads opened to traffic in early stages of the "11th Five-Year Plan" and "12th Five-Year Plan" have entered the stage of overhaul and renovation. For general speed railroads, as the new mileage increases gradually, focus will be on the electrification, upgrading, capacity expansion and renovation of existing lines. Reconstruction and expansion of other railway projects is also underway. Therefore, the domestic railway industry is in a development stage that focuses equally on both new construction and upgrading and renovation.

Seen from the perspective of the domestic urban rail transit industry, as of the end of 2025, 58 cities in China had opened 382 urban rail transit lines with a total operational mileage of 13,000 kilometers. Among these, Shanghai and Beijing are projected to each establish urban rail transit networks of approximately 1,000 kilometers. In 2025, approximately 900 kilometers of urban rail lines were put into operation nationwide, with the new urban rail market expected to maintain a moderated growth trend. The demand for medium- and small-capacity urban rail systems, such as suburban rapid transit and automated guided rail transit, will gradually be released. As of the end of 2025, approximately 1,400 kilometers of urban rail lines had been in operation for over 15 years, while more than 2,000 kilometers had been operational for 10 to 15 years. The renovation and upgrading of early metro lines will also be accelerated. It is expected that China's urban rail transit industry will remain in a period of stable development.

The rail transportation control system industry features high access barrier in terms of the core technology and there are extremely high requirements for the safety, reliability, stability and sustainability of the products and services provided by enterprises, which requires relevant suppliers to have strong technology R&D capabilities, sophisticated industry technology capabilities, full-fledged product development and testing and verification capabilities and possess strong anti-risk ability and ability to rapidly respond to demand to consistently provide reliable and high-quality products and services in the long run. It also has significant cyclical characteristic in the industry, which is determined by the nature of rail transit construction and maintenance itself and the iterations of the core components of the related product systems. According to the requirements of relevant technical specifications and industry practices, the life cycle of high-speed rail transportation control system is generally about 10 to 15 years, while certain outdoor equipment systems are subject to shorter update cycles due to environmental factors.

The low-altitude economy has been included in the government work report for three consecutive years. In 2026, it was proposed to develop emerging industries such as the low-altitude economy. The Ministry of Industry and Information Technology, the Ministry of Science and Technology, the Ministry of Finance, and the Civil Aviation Administration of China issued the General Aviation Equipment Innovation and Application Implementation Plan (2024–2030), which aims to promote the formation of a trillion-level market for the low-altitude economy by 2030. Currently, the low-altitude economy is in a stage of development from point to area, facing practical challenges such as cross-regional connectivity, interconnection among multiple supply entities, and regional integration of flight operations. The Company, with its deep technical accumulation and resource integration capabilities, is fostering the development of the low-altitude economy. This is not only a necessary requirement for fulfilling the responsibilities and mission of a central enterprise and serving the country's major strategies, but also an objective need to align with the new round of technological revolution and industrial transformation. More importantly, it is a practical choice for its own high-quality development. In response to the industry pain point of "if you cannot control it, you cannot fly," the Company has formed a joint innovation team consisting of industry, academia, research, and application, and innovatively launched a low-altitude airspace intelligent control system. Based on speed differential stratification and group flight control technologies, the system provides customers with safe, flexible, efficient, and intelligent low-altitude airspace control products and services.

2. *Analysis of relevant industrial status and changes thereof*

Although the market landscape is constantly changing and competition is becoming increasingly fierce, the Company, as a world-class provider of rail transit control system solutions, continues to maintain its leading position in the industry. As of the end of 2025, the cumulative contracted mileage covered by the Company's core products and services of high-speed railway control system continued to rank the first in the world. The Company's market share continued to occupy the leading position in the industry in terms of the domestic high-speed railway control system integration projects as well as the core equipment of track circuit, centralised traffic control system, computer interlocking, CTCS-3 on-board ATP system, RBC, train control center and other products. In the field of domestic urban transit, the Company's core products of urban transit control system have covered more than 190 routes in over 40 cities of the PRC which have been in operation and completed the bidding of control system, continuing to be in the leading position of the industry. By accelerating its overseas business layout, continuing to strengthen investment in overseas market resources and making full use of the high-quality opening and advancement of overseas projects such as the Hungary-Serbia High-Speed Railway and the Jakarta-Bandung High-Speed Railway, the Company has won a good reputation, so as to strongly enhance its brand power and influence in the global rail transit market, and is gradually becoming an important player in the field of international rail transportation control systems.

The Company is actively planning for strategic emerging industries and fostering its entry into the low-altitude economy sector. Leveraging its core technological expertise in rail transit control systems, the Company has gradually established competitive advantages in the low-altitude economy domain. Its self-developed intelligent low-altitude airspace control system has been deployed across multiple municipal platforms, while its perception and countermeasure systems are widely utilised in railway networks, airports, and key urban areas. Concurrently, the Company is actively exploring applications in low-altitude inspection, urban governance, logistics transportation, and emergency response scenarios, continuously enhancing its industry influence and brand recognition.

The Company will continue to grasp the favorable trends and opportunities in the development of the industry in the future, insist on the technology-led, innovation-driven, digitally empowered and capital-assisted principle to forge a "major national asset" in the field of intelligent control, develop into an "innovative, technology-based, digitally intelligent and international" enterprise featuring more advanced technology innovation, more reliable and safe system, more rational industry layout, more optimised business structure, more advanced management, better quality and efficiency, and more trustworthy brand image.

3. Development of new technology, new industry, new business type and new mode during the Reporting Period and future development trend

In the intelligent rail transit sector, China's rail transit communication and signaling systems are entering a new phase of high-quality development. At the policy level, the Chinese government has outlined the objective of establishing a modern integrated transportation system through documents such as the "Program of Building National Strength in Transportation", promoting the intelligent, green, and international development of rail transit. The "dual carbon" goals have accelerated the electrification of railways and the adoption of multimodal transport, driving technological upgrades in communication and signaling systems, while the new infrastructure policy facilitates their digital and intelligent transformation. China's rail transit sector is witnessing parallel development of high-speed rail and urban rail, with equal emphasis on existing infrastructure and new capacity expansion. The high-speed rail network leads globally in scale, with the CR450 project and high-speed maglev technology continuously pushing speed limits. Urban rail transit focuses on intelligent maintenance and the "four-network integration", while intelligent upgrades of existing systems and the development of new formats proceed simultaneously. The industry still faces numerous challenges, including enhancing the efficiency of high-speed rail networks, optimising capacity for heavy-haul and conventional-speed railways, ensuring equipment reliability in extreme environments, as well as addressing cybersecurity and interoperability across multiple formats. Benchmarking against the current state of train control technology and the requirements for high-quality railway development, the train control system for conventional-speed railways needs to be further upgraded. Meanwhile, the large-scale deployment of 5G-R, AI-powered scheduling optimisation through large models, and lightweight technologies are presenting significant opportunities for system upgrades. In response to the intelligent transformation needs of the rail transit industry, application demonstrations of large models in typical scenarios are being carried out, leveraging multimodal large models with intrinsic security protection systems and two-way isolation and optimised deployment technologies for system risk prevention. These efforts aim to validate the practicality and reliability of large models in vertical domains, and to provide replicable and scalable solutions for the intelligent upgrading of the industry. Future competition will shift from standalone products to ecosystem capabilities. Enterprises must integrate full lifecycle service competencies encompassing "hardware + software + services", building systematic solutions that cover regional collaborative dispatching and multimodal transport platforms, driving high-quality industry development through innovative models and ecosystem aggregation.

In the intelligent low-altitude sector, an end-to-end smart system encompassing "infrastructure – UAVs – safety" is gradually taking shape, providing core technological safeguards for high-safety, high-efficiency airspace management and multi-scenario scaled operations. Low-altitude airspace management systems are demonstrating intelligent and collaborative development trends, with various informatisation technologies like AI and big data being widely applied to specialised areas such as air traffic flow management and conflict detection/resolution. Heterogeneous UAV swarm autonomous operations and manned/unmanned aerial vehicle cooperative combat technologies are advancing rapidly, accelerating progress in low-altitude control technologies. Low-altitude communication systems are intensifying R&D in 6G and other technologies to construct communication networks meeting requirements for "high uplink, low latency, and integrated 3D networking." The UAV perception and countermeasure system will evolve towards "omnidirectional perception, intelligent coordination, and precise control", exhibiting development trends of all-domain detection range, precision countermeasures, and instantaneous system response. The low-altitude micro-meteorological service system will achieve high spatial resolution and seamless meteorological services with short-cycle rolling updates across "monitoring, nowcasting, short-range, and medium-range" phases, while possessing precise support capabilities for different types of airspace, routes, and aircraft. The low-altitude operation service system leverages digital twin and edge computing technologies to build an operational foundation combining high-precision simulation with real-time control. It employs generative AI and reinforcement learning to achieve millisecond-level response and optimised resource allocation, driving end-to-end lean operations and scaled development.

In the smart city sector, guided by national strategies such as the "Action Plan for Promoting Full-Domain Digital Transformation in Smart Cities", the field of citywide perception is entering an accelerated period of technological breakthroughs and industrial transformation. This manifests in continuous emergence of new technologies, rapid formation of new industries, constant appearance of new business formats, and innovative breakthroughs in new models. Technologically, perception systems are evolving towards integrated "air-space-ground-sea" capabilities. The integrated application of technologies such as ubiquitous IoT sensing, high-resolution satellite remote sensing, drone aerial surveying, and edge computing has become increasingly mature. Among these, the fusion technology of surveillance video and geographic information serves as a critical breakthrough in bridging the "isolated islands" of video data with the "base map" of geography. By establishing high-precision bidirectional mapping between video pixel coordinates and geographic coordinates, combined with digital elevation models and deep learning algorithms, it has achieved a leap from "visibility" to "comprehension and precise positioning", providing core technical support for the spatial integration of multi-source sensing data.

In the field of intelligent operations, driven by socio-economic development, various sectors require continuous enhancement of operational technologies and capabilities to achieve goals such as improved efficiency, reduced costs, and strengthened safety. In the railway freight market, there is a demand for faster, safer, and more efficient freight operations. As critical nodes in railway transportation, railway yards' advancement in intelligent and unmanned development is of significant importance for enhancing railway transport efficiency, optimising resource allocation, strengthening safety assurance, and reducing operational costs. This progress is pivotal in driving the high-quality development of the railway transportation industry. In the field of smart logistics, policies have been introduced to promote logistics development and achieve cost reduction and efficiency enhancement. There is a growing demand for advancing the digital transformation of traditional logistics infrastructure and accelerating the development of new facilities such as smart highways, smart ports, smart logistics hubs, and smart logistics parks. In coal mining operations, the State mandates that all types of coal mines should achieve basic intelligentisation by 2035, establishing a coal mine intelligent system that integrates multiple industrial chains and systems, and building an intelligent coal mine system capable of intelligent perception, decision-making, and automated execution. In port and shipping operations, the State has clearly outlined the need to build a modern port and waterway system, with increasing requirements for intelligent and smart port and shipping operations. Relevant policy directions have been established, focusing on clear policy guidance, core content, extensive technological applications, and emphasis on security safeguards.

Significant New Non-Major Business Activities

☐ Applicable ☑ Not applicable

II. DISCUSSION AND ANALYSIS ON BUSINESS OPERATIONS

During the first half of 2026, the Company adhered to the working principle of maintaining stability as the top priority while pursuing progress on a stable footing, and overall production and operations remained steady. During the Reporting Period, the Company achieved operating revenue of RMB14.080 billion, representing a decrease of 3.98% compared with the same period of the previous year, of which: the railway sector contributed RMB8.554 billion, up 2.75% year on year; the urban rail sector contributed RMB3.335 billion, down 14.85% year on year; the overseas sector contributed RMB0.827 billion, down 12.44% year on year; and the general contracting and other sectors contributed RMB1.365 billion, down 7.75% year on year. For the first half of 2026, the aggregate value of newly signed contracts amounted to RMB17.715 billion, up 0.84% year on year, of which: the railway sector accounted for RMB10.505 billion, down 5.65% year on year; the urban rail sector accounted for RMB4.851 billion, up 28.52% year on year; the overseas sector accounted for RMB0.576 billion, down 69.27% year on year; the smart low altitude economy sector accounted for RMB0.171 billion, up 472.88% year on year; and the general contracting and other sectors accounted for RMB1.612 billion, up 113.71% year on year. As at the end of the first half of 2026, the Company's orders in hand, excluding municipal housing construction business, amounted to RMB51.595 billion.

During the Reporting Period, in the railway weak current system integration market, the Company secured key high speed railway projects such as the Miansui Nei Railway and the Zhangzhou Shantou (Guangdong Section), maintaining its leading market share. In addition, the Company also undertook a number of key projects including the new Yining Aksu Railway, the railway dedicated line for the Low Carbon Industrial Park in Wuhai Economic Development Zone, the Shenzhen Pinghu South Yantian Port railway renovation (Pinghu South inland port related works), the Aksu Bachu section capacity expansion and renovation, the procurement of CTCS 3 onboard equipment for 350 km/h Fuxing high speed train sets, and the Jinhua railway hub expansion signal equipment integration, thereby ensuring a stable railway market. In the urban rail transit signal system integration market, the Company won bids for projects such as the Nanjing Metro Line 2 renovation, Jinan Metro Line 9, and Changsha Metro Line 6, securing the top market share. Furthermore, the Company undertook specialised engineering works in urban rail transit markets in Beijing, Shanghai, Nanjing, Changchun, and Shaoxing, achieving counter trend growth in new contract value. In the overseas market, the Company continued to deepen its overseas business network layout, focusing on enhancing the quality and efficiency of new project acquisition, and secured projects including the Bogotá Metro Line 1, the European onboard ETCS 2 system, and the Malaysia 3CS project. At the same time, the Company concentrated on maintaining existing overseas customers and broadening cooperation on existing overseas projects to generate secondary revenues. In the EPC and other markets, the Company remained focused on its core business and accelerated its exit from municipal housing construction. During this Reporting Period, the Company's newly signed contracts in municipal housing construction amounted to RMB0.56 billion, accounting for 3.16% of total new contracts. The Company promoted the transformation and upgrading of its relevant subsidiaries towards areas such as rail transit, smart low altitude economy, smart cities, and smart operations, resulting in an overall optimisation of its business structure.

During the Reporting Period, the Company actively explored the domestic low altitude economy market and continuously improved its core product system and business scenarios. In the Qingdao project, the Company fully deployed the low altitude smart interconnected network system, the “One Network Unified Flight” platform, and infrastructure including communications, sensing, and counter measure systems, and commenced regular operations. The Company developed an unmanned emergency communication coverage solution and conducted multiple rounds of field tests in Nanjing and Jiangyin, supporting mobile access for the three major telecom operators, 370MHz emergency communication coverage, concurrent communications for thousands of users, and high definition video backhaul. Meanwhile, in the Phoenix Mountain area of Zhuhai, the Company carried out application scenarios for forest fire emergency prevention and control, actively building a “cloud edge device” collaborative “detect strike deliver” unmanned prevention and control system, validating fire detection and delivery technologies with a detection range of up to 1.4 kilometres. The Company deepened its cooperation with Beijing Institute of Technology and the Zhuhai municipal government, establishing the Bay Area Low Altitude Research Institute (Guangdong) Co., Ltd., to develop original technologies such as electrostatic detection and hyperspectral imaging, integrating sensing methods including radar, radio, acoustics, and optoelectronics to effectively address the challenge of sensing in concealed areas below the “tree line”. Combined with multi level counter measure means such as directional jamming, omnidirectional jamming, navigation spoofing, net capture, and fibre projectile, the Company has formed a “6 sense and 5 counter” product spectrum, enabling detection and interception of “unauthorised” targets. The Company carried out “One Network Unified Flight” commercial operations in cities including Shijiazhuang, Qingdao, Chengde, and Rongjiang, accumulating 58,000 sorties, covering 432,000 kilometres and approximately 18,000 flight hours. At the 2026 World Artificial Intelligence Conference, the Company’s “low altitude government affairs One Network Unified Flight operation service scenario” was selected as a strategically high value scenario for Central SOEs’ AI initiatives, further enhancing its industry influence. During the Reporting Period, the Company’s newly signed contracts in the low altitude economy sector amounted to RMB0.171 billion.

Looking ahead to the second half of the year, the Company will continue to adhere to its “12415” overall development strategy, working with concerted efforts to deepen market development and continuously optimise its business structure. In the rail transit sector, the Company will leverage its “trinity” full industry chain advantages to actively promote whole life cycle operations covering new construction, maintenance, and renovation projects, stabilise the baseline in the new construction market, expand incremental opportunities in the renovation market, and tap into strategic opportunities in the maintenance market, striving to achieve a steady increase in the annual new contract value. In the overseas business sector, the Company will focus on optimising its operation and management systems, deeply integrate into the national “Belt and Road” Initiative, continuously improve its global business network, and make every effort to ensure the delivery of annual contracting targets. In the low altitude economy sector, the Company will be guided by the rollout of large scale application scenarios in key areas, and around business models such as the Qingdao “intensive” construction model and the Shijiazhuang “investment construction operation” integrated model, will accelerate the replication and promotion of these models in more cities, strive to lead and undertake national level key projects, and continue to play its role as the national team and main force in new low altitude infrastructure construction. In the EPC and other sectors, the Company will continue its exit from municipal housing construction, while concurrently focusing on related businesses such as smart cities and smart operations, to cultivate new economic growth drivers.

Analysis and outlook on changes in financial indicators under non-enterprise accounting standards

☑ Applicable ☐ Not Applicable

In the first half of 2026, the Company's net cash flow from operating activities after excluding the net increase in customer deposits and interbank deposits increased by RMB1.458 billion over the previous period. This was primarily attributable to the decrease in payments for goods and services, which resulted from the decrease in payments to suppliers during the current period due to changes in the scale of the Company's business operations.

Looking ahead, the Company will adhere to the "12415" development strategy, further optimise its business structure, and continuously enhance its capability to generate operating cash flows through measures such as winding down the municipal housing construction business and strengthening the collection of receivables. At the same time, the Company will continue to improve its technological innovation capabilities, strengthen lean management and control over expenses, further reduce costs and expenses, and strive to increase the net inflow of operating cash flows.

Significant changes in the operations of the Company during the Reporting Period and events which had a significant impact on the operations of the Company during the Reporting Period and would be expected to have a significant impact on the operations of the Company in the future

☐ Applicable ☑ Not Applicable

III. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

i. Core competitiveness analysis

☑ Applicable ☐ Not Applicable

1. Leading market position

As the main force of China's rail transit construction, the Company provides products and services for the rail transit construction of CNRG, 18 Railway Administrations, more than 50 cities and many factories and mining enterprises. The Company enjoys a good reputation all over the country and is the most trusted expert of rail transit control system. The Company provides core train control technology and equipment for the majority of high-speed railways that have been opened and are operational in China. It holds approximately 40% of the domestic market share for urban rail transit control systems. The Company's full industrial chain services, including design, integration, products, and construction of urban rail transit control systems, cover more than 80% of the operational and under-construction lines across the country. It is a leading provider of urban rail transit control system solutions in China. The exceptionally high market share has also laid a solid foundation for the Company's future efforts to update, transform and operate and maintain the market.

2. *Outstanding comprehensive technological innovation strength and core technology reserves*

The Company has adhered to independent innovation with over 6,200 registered patents and realised the absolute independent ownership of intellectual property rights and 100% domestic production of products for the core technologies of train operation control, thus helping its new rail transportation control technologies regarding all rail transit sectors such as high-speed railways, normal-speed railways, local railways, heavy haul railways, urban rail, urban (suburban), maglev and special tourist lines, automatic unmanned train operation technology, satellite-based mobile block signalling train control system, coordinated transportation and management for regional freight, train traffic control automation technology, safe computer platform technology, fully electronic computer interlocking control technology, train control integration technology, intelligent detection, operation and maintenance technology of rail transportation, rail transportation simulation test technology, turnout switch technology and railway video analysis technology hold a leading position among peers. Relying on the world-leading comprehensive research and development strength, the Company has developed core technologies of rail transportation control system with independent intellectual property rights and its products and services have been widely used in fields including railway and urban rail transit, which has established the Company's leading position in the industry.

As the entity responsible for general affairs of each of the Communication and Signalling Technical Subcommittee under the National Railway Transportation Electrical Equipment and System Standardisation Technical Committee (in relation to national standards) and the Communication and Signalling Technical Sub- committee under the Railway Industry Electrical Equipment and System Standardisation Committee (in relation to industry standards, being the original entity responsible for the management of equipment standards, technical standards and product standards in relation to rail transportation control system in China), the Company has promoted the establishment of the national technical standards system and railway industry technical standards system for the rail transit communication and signalling in China, and has led the establishment of the most important, advanced and fundamental technical standards for railway and urban transit control systems in the PRC, such as CTCS and CBTC. The Company has extremely rich experience in the construction and operation of high-speed railway control systems, complex railway hub revamping experience, existing line upgrading and revamping experience, customisation experience to meet transportation needs in different regions, and construction and maintenance experience for all forms of urban rail transit including urban rail, subway, maglev and tram. In addition, the Company also has advanced research and development ("**R&D**"), experiment and test institutions. The completeness and scale of its laboratory facilities are in a leading position in the world.

The Company has built a high-level innovation platform and technical support capabilities, vigorously promoted innovation platform and demonstration construction, gathered innovation elements, optimised the allocation of innovation resources, and formed a leading sci-tech innovation platform and demonstration pattern, including 4 postdoctoral workstations, 3 academician workstations, 16 national and industry innovation platforms, 25 national innovation demonstrations, and 38 provincial and ministerial innovation platforms, providing strong platform support for the realisation of high-quality innovation and development of enterprises.

3. *Extensive engineering project management experience*

Over the years, the Company has served the construction of national railway and urban rail transit, implemented the strategy on the building of national strength in transportation and regional coordinated development strategy, successively participated in the construction of major domestic high-speed railway projects, and deeply participated in the speed increase of national railway for six times. It has experience in many projects involving long mileage, high altitude, alpine region and heavy-haul trains with capacity of over 10,000 tons. Many projects have been ranked "first" in China and even the world, and the standardised management of engineering services has become the industry benchmark, which has improved the weak current process standard and image of China's rail transit, and established and maintained the Company's leading position in the industry. Leveraging the Company's full industrial chain advantages in the rail transit control sector, innovative breakthroughs have been made in the factory-based pre-configuration of communication signal equipment. The first typical case in this field has been created nationwide, achieving a comprehensive innovation in factory-based production that integrates elements such as engineering design, process organisation, key technologies, new materials, and integrated management. The level of engineering construction in the rail transit control sector has continued to improve.

4. *One-stop service capabilities for the entire industrial chain*

The Company professionally provides integrated services covering investment and financing, design and integration, equipment manufacturing, system implementation, supporting project construction and repair and maintenance for rail transportation control system. As a company with the most comprehensive technology mix and the most system products in the domestic industry, it has more than ten modern production bases all over the country, creating a complete industrial chain in the field of rail transit control. It is the world's only enterprise that can provide one-stop services for the entire industrial chain from investment and financing to R&D and design, equipment manufacturing, engineering services and operation and maintenance. The one-stop services can effectively reduce the construction, operation and management costs of customers and the system compatibility related risk in complex lines, and minimise the impact of renovation projects on normal operations. While adapting to common requirements, it can also provide customers with a flexible combination of different products and services based on the actual needs of customers; with the Company's internal efficient and accurate information-based management, such one-stop services can help to effectively reduce marketing cost, and lay a good foundation for tracking and carrying out maintenance, repair and upgrading business.

5. *Highly reliable and safe core services and products*

The Company establishes classified enterprise standards according to relevant international, national and industrial standards, implements strict and prudent quality and safety control measures, so as to ensure the high reliability and safety of rail transportation control system solutions and core products, and provide support for the safe and efficient operation of national rail transportation. The Company focuses on its main responsibilities and businesses, deeply analyses the business development model, establishes system management thinking, deepens system integration, improves operational efficiency and builds a whole industrial chain safety and quality control system. The Company's quality management follows the requirements of ISO9001: 2015 Standard, establishes quality control rules and system process, with quality management systems to maintain continuous improvement and meet the requirements of standards. All subordinate enterprises of the Company which engage in the fields of R&D and design, system integration and industrial manufacturing have passed the ISO/TS22163: 2017 (the upgraded standard of International Railway Industry Standard (IRIS)) certification; all subordinate enterprises of the Company engaged in the field of R&D and design have passed the maturity assessment and certification of CMMI software. The Company's rail transportation control system products meet the European EN50126 standard for railway product safety, and the Company strengthens the supervision of product safety and security, and effectively strengthens the control of new product development process and existing product change process and meets the generally accepted international quality requirements regarding safety, reliability, availability and maintenance.

6. *Stimulating innovation and vitality and promoting development through scientific research*

Faced with a new wave of technological revolution and industrial transformation, the Company is continuously strengthening its in-house talent development. With competencies as the foundation and the resolution of practical business challenges as the objective, it is accelerating the updating of knowledge frameworks and the expansion of capability boundaries amongst its outstanding talent. By establishing a systematic training framework, the Company is effectively transforming its talent advantages into strengths in innovation, industry and development, thereby providing a solid, multi-dimensional and sustainable organisational and intellectual foundation for the Company's growth.

5,037 employees of the Company are engaged in technological research and development, accounting for 26.61% of the total employees, 47.94% of whom have graduate degrees or above. The excellent talent team provides the intellectual support and a source of innovation for the Company's high-quality development.

ii Events which have a serious impact on the Company's core competitiveness, impact analysis and measures during the Reporting Period

☐ Applicable ☑ Not Applicable

iii. Core technologies and R&D progress

1. Core technology and its leading edges and changes during the Reporting Period

The Company focuses on technology R&D, and promotes sustainable development of its overall business by technology innovations. Since its establishment, the Company has been working in the field of rail transportation control system, and owned many industry-leading core technologies leveraging on its outstanding technology innovation strength. As of now, the Company has 6,248 authorised patents in China, including 4,158 authorised invention patents, which protect its core technologies. Meanwhile, the Company signed special confidentiality agreements with relevant technicians regarding core technologies to ensure that core technologies would not be disclosed or spread.

The core technologies owned by the Company primarily include but not limited to the below:

No	Core technology	Source of technology	Technical level and degree of application
1	Train operation control technology	Independently researched and developed	Train operation control technology has been widely used in HS Rs, ICR s and urban transit, which provides core technical guarantee for safe and high-efficient operation of rail transportation. Responding to the demand for highly safe and reliable operation of rail transportation, this technology has addressed certain significant technology issues such as dynamical control curve model of train, precise positioning of train, speed and distance detecting of train, onboard fully functional seamless switch, wireless redundancy coverage of multiple doubling railways, moving blocking and railway network connectivity
2	Automatic unmanned train operation technology	Independently researched and developed	Automatic unmanned train operation technology has been successfully applied in the fields of HSRs, ICRs and urban transit. Based on train control system, by using this technology, automatic train operation is realised; through advanced automatic driving control algorithm, certain significant technology issues such as calculation of desired speed curve of train operation, the algorithm of precise stop of train, intelligent control of multiple objects, perception of status in complex operation environment, remote safe control have been addressed, and multiple indicators such as punctuality rate of operation and train parking accuracy and ride comfort and operation consumption have been improved.

No	Core technology	Source of technology	Technical level and degree of application
3	Integrated automation technology of freight railway	Independently researched and developed	Integrated automation technology of freight railway has been widely used in many marshalling yards in national railway and dispatch centers of railway bureaus, which provides core technology guarantee in improving railway freight efficiency, benefit and safety. The technology has addressed some significant technology issues such as intelligent calculation of freight traffic, intelligent adjustment of running line of railway wagons, intelligent preparation of locomotive usage plan and shunting plan, smart issuance of periodical maintenance and repair plan of vehicles, source control of train operation, as a result, the railway freight efficiency and intellectualisation level have been improved.
4	Train traffic control automation technology	Independently researched and developed	Train traffic control automation technology has been widely used in HSRs, ICRs, urban transit and some normal-speed railways. This technology integrates computer technology, network technology and control technology, forms a closed- loop system of train operation dispatch and instruction, addresses technology issues such as train tracing, automatic control for hump rolling routes, prevention and control of mistaken receiving- departure at multi- directional hub station, train dispatch management and control at sectional station and intermediate station and intelligent adjustment of operation plan, as a result, automation level of operation instruction and emergent handling level under fault conditions have been improved.

No	Core technology	Source of technology	Technical level and degree of application
5	Intelligent detection, operation and maintenance technology of rail transportation	Independently researched and developed	Intelligent detection, operation and maintenance technology of rail transportation has been successfully used in the fields of HSRs, normal- speed railways, urban transit. This technology has used big data system and cloud service technology to promote the development of rail transit inspection operation and maintenance to the direction of digitisation, intelligence and informatisation. With the technologies such as diverse integration of intelligent perception, multi-drive engines integration of analysis and judgement, Big Data health assessment analysis as breakthrough points, through expert system, mode identification, trend analysis, comprehensive appraisal, comprehensive positioning and mobile internet, it has realised the advance prediction of rail transit operation risks, active maintenance and health management of key equipment during whole lifetime based on all factors such as personnel, equipment, environment and operation and maintenance processes, improved the maintenance efficiency of equipment, effectively shortened breakdown time, and significantly decreased the failure rate of equipment.
6	Train control integration technology	Independently researched and developed	The train control integration technology has been widely used in the fields of HSRs, ICRs, urban transit. Through the integrated engineering software design platform integrating data platform technology and graphic software technology, the technology has been applied to make engineering design, data allocation, automatic compiling an organic entirety, resulting in the improvement of software integration; by summarizing features of domestic hub and utilisation scenario, an integration process of site installation, commissioning, test and construction standardisation has been built. This technology is appropriate for the connectivity of different modes of equipment with various operation grades at newly- built routes, reconstructed routes and complex hubs.

No	Core technology	Source of technology	Technical level and degree of application
7	Safe computer platform technology	Independently researched and developed	The safe computer platform technology has been widely used at the train operation control system centers, stations, onboard safe control devices, which provides a very safe, reliable, high- performed and expandable basic software and hardware platform for products. This technology has addressed some core technology issues such as safe drive and collection based on electronic components, clock level multi-machine synchronous comparison, operation fault detection and fast redundancy switch, and it has been granted highest grade safety certification of International Functional Safety Standard.
8	Mobile frequency key control signal safety modulation technology	Independently researched and developed	Mobile frequency key control signal safety modulation technology has been widely used in the fields of HSRs, ICRs and normal-speed railways. This technology has built a set of fault-safety rail circuit system with mobile frequency key control signal as power and rails conductor, addressed contactless safety signal source technology, mobile frequency key control signal digital spectrum analysis technology, all-region at transmission channel detection technology, and realised safe and core functions covering rail section occupancy- idling detection, transmitting information to train through rail, and real-time detection of completeness of rails.
9	Turnout switch technology	Independently researched and developed	Turnout switch technology has been widely used in the fields of HSRs, normal-speed railways, heavy-haul railways and urban transit in the PRC. This technology has addressed the major problems in large-size turnout switch synchronization technology, industrial and electrical interface integration, the switch technology of movable point frog of high-speed turnout, external- locking technology of turnouts, established world-leading high speed turnout switch system technology system, and provided powerful safeguard to the development of railway in the PRC.

No	Core technology	Source of technology	Technical level and degree of application
10	Rail transportation simulation test technology	Independently researched and developed	Rail transportation simulation test technology has been widely used in the fields of HSRs, ICRs, freight railways, urban transit, which provides support to test and verification processes at various stages of lifetime from plan verification, function development, system integration to engineering execution of train control system, freight and train operation instruction system. This technology has addressed some significant technology issues such as simulation test structure based on distribution semi- physical, modelling approach for complex engineering system, multi-source data at multi-level traceable test management method, automatic test, reappearance of fault and analysis, safe control system interface monitoring, test of optimization deployment of environmental resources, aiming at the requirements of large scale of simulation of tested object, greater isotacticity and strong instantaneity and higher automation, and the utilization of such technology improved the defect remediation rate and quality reliability of tested system.
11	High precision simulation technology based on coupling of multi-physics	Independently researched and developed	High precision simulation technology based on coupling of multi-physics enables ground rail circuit system to work safely and reliably under railway natural conditions, electromagnetic environment and complicated route conditions, including in the circumstances of coupling of multi-physics of high-speed train rails contact electric shunt, high power electrification traction current disturbance, high-frequency transient signal shock caused by lightening, bridge-roadbed-tunnel multispace structure routes, alternating dry-wet ballast bed and parallel running on complex hub multi routes. This technology has been applied to build a high precision simulation analysis platform with error within 0.5%. The platform was used for precise analysis of transmission features of approximately 10,000 typical deployment rail circuits at engineering.

No	Core technology	Source of technology	Technical level and degree of application
12	Manufacture technology of rail transportation safety products	Independently researched and developed	The operation control system of rail transportation has a high requirement to safety and reliability. Based on complete identification of product manufacture risk, the manufacture technology of rail transportation safety products targets the control in the whole process from material selection, manufacture equipment, production technology, test and detection, reliability verification to lifetime analysis, thus providing a systematic quality assurance basis for the safety and reliability of products.
13	Application technology in broadband wireless communication industry	Independently researched and developed	Application technology in broadband wireless communication industry is based on broadband wireless communication technology of LTE-M/R, which can actualise data transmission and integration of multiple operations, improve the efficiency and experience of trunking command direction system. This technology can meet the railway operation business's demand of wireless broadband, terminal intellectualization and business mobilization.
14	Comprehensive video monitoring technology for rail transportation	Independently researched and developed	Comprehensive video monitoring technology for rail transportation has been widely used in the transportation fields such as HSRs and ICRs, which provides comprehensive management system containing video monitoring, Big Data display and visualization for safe operation of rail transportation. Aiming at the demand for all- weather and full – coverage monitoring of rail transportation, this technology has addressed the technology issues such as decoding and forwarding of high definition video stream, concurrent read-write, unity and connect of railway three-stage platform, massive video retrieval, intelligent face recognition and certification, intelligent operation and maintenance, clustering of platform management, dynamic load balance of storage resource and engineering, thus, leading the development of comprehensive video monitoring technology for rail transportation.

No	Core technology	Source of technology	Technical level and degree of application
15	Collaborative transportation and service technology of regional rail transportation	Independently researched and developed	Collaborative transportation and service technology of regional rail transportation focuses on the operation and collaborative linkage of trunk railways, ICRs, urban (suburb) railway s and urban rail transportation network in city clusters/metropolitan areas to improve the overall regional transportation capacity, and makes breakthroughs in technologies such as refined prediction of passenger flow in composite road networks, preparation and dynamic adjustment of collaborative transportation plans, global safety situation control and emergency linkage command, intelligent station safety management, and passenger information service in the whole trip chain to improve the overall regional transportation capacity, enhance emergency response and operation and maintenance efficiency, and shorten cross-mode travel time of passengers.
16	Intelligent transportation and control technology of light rail transit	Independently researched and developed	With train control as the core, intelligent transportation and control technology of light rail transit, based on cloud computing, sets a unified rail transit cloud platform which is deeply interconnected with and intelligently integrates trains, passengers, environment, facilities, equipment, resources and other information, to realise the functions integrating independent train operation control, comprehensive automation, intelligent travel services, and collaborative transport and emergency command. The intelligent transportation and control system applies to a variety of light rail transit systems such as medium and low speed maglev lines, mountain rail transit, and special tourist lines, presenting the trend of data synthesis and business integration of each professional system equipment and guiding the technical development and application direction of the rail transit systems.

No	Core technology	Source of technology	Technical level and degree of application
17	Train autonomous operation technology	Independently researched and developed	Train autonomous operation technology has realised autonomous resource management and active interval protection for the train through three key innovations, namely the optimization of platforms, the streamlining of systems and the refinement of resources. With a simplified structure of the system from a complex one and easily-driven complicated functional applications, it achieved full- process and comprehensive protection. It may apply for rail side resources and achieve direct communication among trains based on the tasks on train operation. With on-board autonomous computing and mobile authorization, it improved the utilization rate of rail side resources. The capability on the real-time handling of key businesses and accurate speed detecting and positioning improved the efficiency of train operation. It may formulate corresponding handling mechanisms based on different business demands and meet the demand for the upgrading of different systems.
18	BeiDou navigation system-based train autonomous operation control technology	Independently researched and developed	With BeiDou Navigation Satellite System as the basis, Bei Dou navigation system-based train autonomous operation control technology has applied diverse integration and train autonomous positioning technology, integrated longitudinal dynamics models, multi-particle longitudinal dynamics models and safety braking models of trains, combined inspection technologies with high safety, autonomy and completeness on wind pressure, location and speed information and applied the block dynamic swift technology with traffic control as the centre and the dynamic railway capacity allocation strategy, achieving the highly- efficient operation of trains, the simplification of rail side equipment and the centralization of central equipment. It shortened train tracking interval and improved the freight transport capacity.

No	Core technology	Source of technology	Technical level and degree of application
19	Full-electronic computer interlocking control technology	Independently researched and developed	All-electronic execution unit for full-electronic computer interlocking control technology has applied safe output, safe cut-off, turnout safety control, safe design of self- inspection on modulo conversion, the structure of double two out of two, network redundancy structure and other technology. Full electronic interlock system and electronic modules have passed third-party safety assessment with the level of safety completeness reaching level SIL4, meeting the requirements on the high safety and reliability of the rail transit signal interlock system and being characterised by small size, easy construction, high reliability, high maintainability and high safety.
20	CTCS2+ATO automatic turn-back technology	Independently researched and developed	CTCS2+ATO automatic turn-back technology can be widely applied in urban railways to improve the services in the "as-frequent-as-buses" operation of urban railways. The technology addressed technology issues such as safety communication between head and tail of trains, rapid automatic starting, on -site automatic end change and automatic turn-back after reaching the destination. It achieved automatic turn-back in 3 minutes after reaching the destination and on-site automatic end change in 20 seconds, which can effectively cut down the interval time for turn-back, further shorten the tracking interval of trains, reduce the average waiting time of passengers, meet the public travelling demand for "high speed, high density and as-frequent-as-buses services" and relieve urban traffic jam.

No	Core technology	Source of technology	Technical level and degree of application
21	Video intelligent analysis technology	Independently researched and developed	Video intelligent analysis technology adopted intelligent analysis algorithm, allowing the video system to automatically adapt to all-weather lighting conditions with different density, improving the capacity of resisting disturbance under complicated video background and effectively enhancing the comprehensive analysis performance. It adopted the deep learning technology in artificial intelligence sector and developed a professional algorithm exercise platform through long-term accumulation and improvement of intelligent algorithm sample database for railways, which can flexibly and rapidly meet customised demands under complicated scenarios and achieve automatic empowerment of relevant businesses through accurate judgment, dynamic analysis and ancillary decision-making.
22	400MHz wireless dispatching and communication technology of railway digital trains	Independently researched and developed	Leveraging on digital and wireless advantages, the 400 MHz wireless dispatching and communication technology of railway digital trains addresses technical issues such as the bridging of wire S IP communication and wireless PDR communication and business guarantee under failure and weakened conditions. It adopted a professional and integrated hardware platform and fully combined the demand in the wireless dispatching business, achieving data transmission in joint control of trains and railways and reliable communication in voice cluster for wireless dispatching, providing a safe, reliable, effective and convenient means of communication for rail transit, improved the driving safety, transportation efficiency and management and enhanced the quality of wireless communication services.

No	Core technology	Source of technology	Technical level and degree of application
23	Full automatic flexible train formation technology	Independently researched and developed	Fully automatic and flexible train formation technology can adjust the train formation according to the characteristics of passenger flow in different zone s and time periods, and achieve the best synergy between passenger demand and vehicle capacity in accordance with the traffic plan, which has the advantages of improving the level of operation service, reducing the energy consumption of traction power supply, reducing the cost of vehicle maintenance, and improving the ability to cope with the uncertainty of passenger flow, etc., and can effectively solve the problem of unbalanced passenger flow in different operation phases, operation time periods and different regions. It can effectively solve the problem of unbalanced passenger flow in different operation phases, different operation periods and different regions, and help to achieve the "cost-effective" train operation.
24	Heavy-haul train group operation control system technology	Independently researched and developed	Heavy-haul train group operation control system achieves information transmission based on train-ground wireless communication and train-train communication, with advanced functions such as efficient matching of train and hump rolling routes, optimal control strategy of automatic driving, and cooperative driving of multiple vehicles. The system can effectively improve transportation efficiency, decrease labor intensity of drivers, reduce transportation energy consumption, and greatly improve comprehensive efficiency of freight railway transportation.

No	Core technology	Source of technology	Technical level and degree of application
25	Train control system technology for higher speeds (CR450)	Independently researched and developed	Higher-speed train control system technology breaks through the bottleneck of the reliability of safety control and equipment supporting 450 km/h high-speed operation, overcomes the difficulty of excessive speed difference between main and backup systems, improves the automatic driving ability of high speed railway ATO system, enriches and expands the basic theory and engineering practice experience of high-speed railway train control technology in China, which will further enhance the full independence of China's railway science and technology, consolidate China's leading position in the global high-speed railway industry and strongly promote the upgrading and transformation of China's railway network in scale.
26	High-speed maglev/low vacuum pipeline(tunnel) train control system technology	Independently researched and developed	High-speed maglev train control system technology supports train operation and control of ultra-high speed maglev trains with a speed of 600 km/hour or higher, which can be divided into on-board operation control, sectionalised operation control, central operation control and positioning and speed measurement subsystem. Different from the traditional high speed rail operation control system, the system architecture has overcome various technical difficulties, such as positioning and speed measurement, vehicle-ground communication, levitation guidance and electromagnetic compatibility, and is of great significance to the research of ultra-high speed transportation technology in China.

No	Core technology	Source of technology	Technical level and degree of application
27	Digital integrated management and control technology of freight yard	Independently researched and developed	Digital integrated management and control technology of freight yard can manage the whole process of goods from mobilization to unloading, transshipment, inspection, loading and exit in the freight yard, build a digital integrated management and control system of freight yard for centralised scheduling of container handling/transshipment equipment such as IGV automatic guided vehicles in the freight yard, improve the automation and intelligent level of key equipment such as front loading and unloading equipment, horizontal transport vehicles, security monitoring in the freight yard, and enhance the efficiency of goods transshipment in the yard.
28	Safety railway intelligent signal display technology	Independently researched and developed	Based on the safety railway intelligent signal display technology, a series of equipment, including intelligent LED signal of SIL4 safety level, lighting detection unit and lighting alarm devices, are developed. The intelligent LED annunciator can replace the existing incandescent annunciator and is characterised by high energy-efficiency, high safety, long service life and adjustability, which is an upgraded product of existing railway signal display equipment.
29	System RAM modelling and evaluation technology	Independently researched and developed	System RAM modelling and evaluation technology is to model the system and its components from the perspective of the cognition of system law, estimate and evaluate the reliability, maintainability and usability of the system based on the accumulated product data, structural character is tics and composition of the system, as well as the working environment of the system and other factors, and also identify the main factors affecting the reliability, maintainability and usability of the system, locate key points, and provide a basis for design and iterative optimization; it can help shorten the equipment validation cycle of train control systems and guarantee the performance quality of the product.

No	Core technology	Source of technology	Technical level and degree of application
30	Integrated technology on “factory-based” construction in railway signaling & communication projects	Independently researched and developed	Based on BIM modeling, with the target of factory pre-assembly and fabricated on-site construction and through modularization, unification, plugging and splicing, clustering and fabrication, the integrated technology on “factory-based “construction in railway signaling & communication projects brings forward operation with high on- site labor intensity and high-quality requirements at traditional construction sites to the curing process at the factory pre-assembly stage, which significantly reduces the workload of on-site operation, on-site labor, technical difficulties in on-site construction as well as risks and hidden hazards and improves the quality of projects.
31	Video analysis technology in high-speed railway tunnels	Independently researched and developed	Video analysis technology in high-speed railway tunnels adapts to special conditions such as low illumination level, high temperature and humidity, strong vibration and high wind pressure in tunnels, forming video analysis algorithms such as intelligent disaster prevention and detection, target detection in dark light, front/background separation for the line patrol of the track maintenance division, which provides basic support for the application of integrated video monitoring system in high-speed railway tunnels and guarantees the safety of railway transportation.
32	Vision networking fusion algorithm warehouse technology	Independently researched and developed	With the vision networking fusion algorithm warehouse technology, a ware house is formed to manage algorithm models, centralise the management of all AI algorithm models and provide AI analysis service capabilities, to realise the rapid integration of multi-manufacturers and multi-versions of algorithms, improve the management capabilities of the lifecycle of the algorithm, enhance the intelligent analysis capabilities of vision networking fusion video and other related products, and boost the performance improvement of the product.

No	Core technology	Source of technology	Technical level and degree of application
33	Multimode signal system integration technology	Independently researched and developed	The multimode signal system integration technology has made breakthrough in integration technologies such as urban transit electronic map data, onboard GPS, movement authority limit, onboard human-machine interaction, ATS driving monitoring, rail side equipment control and display and digital track circuits, innovated the set of technology system of "multi-mode integration of signal system", and achieved a set of onboard technology, two systems and seamless integration, providing users with a new model for extending and renovating signal systems of quasi-mobile blocked lines to meet requirements for the interconnection and network- based operation between different signal system lines.
34	Highly safe, resilient and reliable control technology in fully automatic operation	Independently researched and developed	By applying the calculation correctness real – time detection theories and formal methods of key equipment to train safety, it adopts error checking, error correction, fault tolerance and fault-oriented safety technologies with a combination of system equipment failure modes and operational safety requirements, makes breakthrough in key technologies such as highly intelligent fully automatic operation control, regional joint defense, adaptive tolerance to operational anomalies and remote failure recovery, and develops distinctive fully automatic functions, including train sleep- wake static-dynamic commissioning, remote garage door closing operations, fully automatic obstacle avoidance and evacuation protection, automatic recovery after loss of train positioning, remote restart and remote updating of onboard/rail side equipment data, achieving safe operation, adaptive failure tolerance, efficient failure recovery and intelligent operation and maintenance for fully automatic operations.

No	Core technology	Source of technology	Technical level and degree of application
35	Control technology of smart rail full-axle steering	Independently researched and developed	Based on the theory and technology of full-axle control, the trajectory tracking control technology integrated with high-precision navigation positioning aims directly minimum trajectory tracking errors. Through model prediction control and feedback control, it researches and develops full-axle steering control system with high performance, reliability and safety, turning trajectory tracking and safety control for electronically guided rubber-tired smart rail train into reality.
36	Online automatic deployment technology of control platforms	Independently researched and developed	Full electronic interlock system adopts intelligent maintenance and distributed design, featuring the distribution of configuration/data/software, researches and develops automated deployment technology and launches tools allowing automated deployment. Leveraging connections to the internet, the tool ensures the absence of command output or disruption to another system's normal operation during in-system programming, thus improving the efficiency and accuracy of on-site software upgrading.
37	Centralised and efficient management technology for train operation behaviour	Independently researched and developed	By leveraging the causal relationships between behavior s and data, an identification model is developed for operation behavior scenarios that are linked to changes in equipment status, route status, and alarm log information. This model particularly targets high-risk operation behaviors outlined in actual management practices. Utilising this model, the operation behaviors represented by the corresponding data are accurately identified, and pertinent information regarding these behavior scenarios is captured. This approach facilitates centralised management of train operation behaviors, enhances management efficiency and quality, promotes the standardization of train operation behaviors while minimising management costs, and fortifies the standardization and safety of train operations.

No	Core technology	Source of technology	Technical level and degree of application
38	Rail breakage inspection technology in ranges	Independently researched and developed	The coupling resonance acquisition analysis of inductance, impedance, and capacitance characteristics of rails and ballast is carried out through single-node devices. Multi-physical, multi-dimensional state feature extraction is used to integrate massive storage data. Based on the analysis of multi-dimensional feature data, multi- scale physical phenomena in different stages such as health and rail fracture are studied, as well as the change characteristics under strong interference and high pulse. A rail health status model is established to evaluate the current rail health status, and a rail health status big data platform is established. Combined with historical data, the rail status evolution trend curve is formed to achieve the function of rail breakage inspection.
39	Electromagnetic environmental effects of rail transportation and electromagnetic safety technology	Independently researched and developed	Electromagnetic environment effect and electromagnetic safety technology of rail transportation is the key to guarantee the safety and reliability of on-rail running equipment, and it has overcome difficulties such as high-power (high voltage, high current output at the same time), multi- physical quantity controllable off-line electromagnetic discharge technology of pantograph network, simulation technology of electromagnetic environment effect of vehicle-ground-network coordination, and forward design technology of electromagnetic compatibility, to support the research and development and optimization of the rail transit signal infrastructure and to guarantee the high- efficiency, safe and stable operation of on-rail products.

No	Core technology	Source of technology	Technical level and degree of application
40	Disaster monitoring technology for rail transit with multi-modal perception across the whole region	Independently researched and developed	The disaster monitoring technology for rail transit with multi-modal perception across the whole region utilises various multi-dimensional and multi- modal means such as video analysis and radar monitoring. It innovatively utilises deep learning- based projection and codec algorithms to achieve deep alignment and fusion analysis of effective information contained in video images, video encodings, and radar echoes. Based on customised and optimised algorithms such as foreground extraction, object detection/filtering, specific area segmentation, and difference detection, and supported by advanced technologies such as hardware acceleration, small sample detection, and multi-dimensional three-dimensional visualization, this technology solves the problem of complex environmental interference along the rail transit line, achieving product performance improvement and cost optimization in multiple business directions from large-scale railroads, subways, to smart cities.
41	Key technology for the overhaul and renovation of high-speed railway signal systems	Independently researched and developed	Based on the characteristics of China's high-speed railway signal system, this technology uses both quantitative and qualitative analysis methods to conduct a comprehensive analysis of the design, system integration, construction installation, and engineering acceptance of overhaul and renovation projects. It has developed a Prognostics and Health Management (PHM) assessment standard system for key equipment of high-speed railway signal systems. The technology also masters performance enhancement techniques for high-speed railway signal systems, builds a comprehensive digital platform for high-speed railway signal equipment, and supports the digital transformation and upgrading of maintenance for high-speed railway signal systems. This has led to the development of indoor integrated digital technology for high-speed railway signal systems and "seamless major overhaul" system integration technology, reducing the impact of major repairs and renovations on operations. It also provides early planning and layout for the renovation and upgrading of high-speed railway signal system equipment, promoting the high-quality and sustainable development of high-speed railways.

No	Core technology	Source of technology	Technical level and degree of application
42	Comprehensive intelligent technology for marshalling yards	Independently researched and developed	The comprehensive intelligent technology for marshalling yards is based on well-proven integrated automation technology and applies new technologies such as artificial intelligence. It integrates the intelligent demands of marshalling yards, enhancing various processes ranging from plan preparation and route arrangement to outdoor execution. The system achieves intelligent phase plan preparation, automatic station capacity determination, full-area signal control within the station, hump bowl closed-loop control, and automatic driving of switcher locomotives, among other intelligent functions. This improves the overall operational efficiency of marshalling yards and provides the core foundation for the gradual realisation of intelligent marshalling yards.
43	Urban rail transit signal control and transportation organisation technology under complex and harsh environments	Independently researched and developed	The urban rail transit signal control and transportation organisation technology under complex and harsh environments deeply analyses risk factors such as rain, snow, fog, and frost. It dynamically evaluates key train operation parameters, including adhesion conditions and available braking rates, under special environmental conditions. By integrating perception, artificial intelligence, automatic protection, and autonomous driving technologies, the system enhances the urban rail transit signal system's ability to sense and adapt to complex and harsh environments. It enables rapid adjustments to safety control and autonomous driving strategies, expands the safety protection boundaries of the signal system, and helps create the "safest subway."

No	Core technology	Source of technology	Technical level and degree of application
44	5G key technology for rail transit	Independently researched and developed	The 5G key technology for rail transit has established efficient, real-time, and secure data transmission channels, enabling the transmission and exchange of a large amount of audio and video data within the railway system. This technology supports reliable and secure audio and video dispatching in station areas, facilitates the connection of a large number of terminal devices in station areas and along the railway line, effectively reduces railway operating costs, improves operational efficiency, and significantly promotes the intelligent upgrading and sustainable development of railways.
45	General-purpose visual large model intelligent analysis technology for railways	Independently researched and developed	Based on artificial intelligence-powered visual large model intelligent analysis technology, a general-purpose visual large model for the railway sector has been developed. This model enables functions such as object detection in open categories within the railway sector, target attribute and location identification based on intelligent semantic prompt information, and more. Centred around the visual large model architecture for the railway sector, it extracts effective information obtained through multimodal methods, optimises functions such as image-text multimodal feature alignment and adaptive feature matching metrics, and develops dedicated large model algorithms, systems, and intelligent analysis devices for abnormal railway intrusion monitoring and alerting. This allows for the search and identification, as well as intelligent monitoring, of station personnel, lost items, railway equipment status, natural disasters, and other related aspects.

No	Core technology	Source of technology	Technical level and degree of application
46	Visualisation monitoring technology based on 3D modelling and digital twins	Independently researched and developed	The visualisation monitoring technology based on 3D modelling and digital twins uses Web3D modelling technologies such as html5 and WebGL to create more detailed and accurate models, including equipment location, orientation, equipment panel details, and more. Coupled with real-time data obtained through digital twin technology, this enables true "scene restoration" and achieves comprehensive environmental awareness based on 3D visualisation technology.
47	Trajectory synchronisation technology for inspection robots based on spatial coordinate mapping	Independently researched and developed	The trajectory synchronisation technology for inspection robots based on spatial coordinate mapping, built on 3D modelling and intelligent inspection, calibrates the inspection positions of intelligent inspection robots using spatial coordinate mapping technology. This enables real-time synchronisation of the robot's trajectory in the 3D model view with the trajectory in the real-world scene.
48	Key technology for train-network-ground monitoring and diagnostics in high-speed railway train control systems	Independently researched and developed	The technology supports automatically collecting various monitoring data and log files from the train-network-ground monitoring system and equipment. By aligning information such as track, frequency points, time slots, mileage markers, and train numbers, multi-source data correlation is achieved. This enables multi-angle analysis of both complete and partial datasets, supporting comprehensive fault diagnosis, safety verification, and integrated remote maintenance. Ultimately, i t enhances analytical accuracy and further optimises the monitoring scope and depth of the train-network-ground control system.

No	Core technology	Source of technology	Technical level and degree of application
49	Integration of Rail Transit Dispatch and Control and Connecting Transportation Service Technology	Independently researched and developed	To target the rail transit "control-dispatch–service" business, aim at "autonomous operation control, intelligent comprehensive dispatch, connecting transportation services, integrated dispatch and control, and precise supply and demand matching", and make a breakthrough in technical and system limitations on high-speed and high- automation rail transit theoretical and technical research, system equipment development and demonstration engineering application, to realise the integrated operation from "passenger flow to wheels".
50	Two-level train control system technology based on trackside digital intelligence	Independently researched and developed	By adopting a next-generation train control system architecture, the technology promotes functional innovation and efficient collaboration of the train control system, significantly improving operation and maintenance quality and efficiency, and breaking through in the traditional development model of train control systems.
51	Train frozen coal interface heating technology	Independently researched and developed	Based on electromagnetic induction heating technology, high-efficiency and precise heating of frozen coal wagons is achieved through high-power induction power supplies and customised coils. This reduces frozen coal residue on the wagons and improves coal unloading and cleaning efficiency. Intelligent temperature detection technology is used to monitor key areas of the wagons in real time, and advanced PID control algorithms dynamically adjust the heating power output based on the temperature readings, achieving green energy-saving effects.
52	Early warning analysis and diagnostic technology based on multi-drive engine integration	Independently researched and developed	Powered by a variety of technologies, including waveform analysis, inference analysis, fault tree analysis, big data analysis, and machine self- learning, this technology enables real-time warning analysis and diagnostics through a hybrid-driven engine. By leveraging this analytical approach, it enables automatic early warnings for potential equipment risks, precise fault localisation, and in- depth data pattern analysis.

No	Core technology	Source of technology	Technical level and degree of application
53	Equipment full-lifecycle management technology	Independently researched and developed	Based on the full lifecycle quality monitoring and evaluation technology of equipment, it intelligently predicts and recommends equipment maintenance cycles and service life. By assessing the real quality of equipment and incorporating maintenance plans, it dynamically and intelligently proposes maintenance and repair schedules, assisting in proactive maintenance decision-making. This ensures high equipment reliability while improving the quality and efficiency of maintenance work.
54	Interlocking parameter visualisation tracking technology	Independently researched and developed	By adopting a unique interlocking software design method, the system can provide real-time online reading of interlocking logic variables and intermediate variables. Users can view interlocking logic formulas and the values of variables through maintenance and diagnostic equipment provided by the trackside equipment control system. This ensures that the interlocking software is open, real-time, and transparent, making it easier for project implementation and maintenance, and solving the problem of real-time tracking of the status of all system variables.
55	Algorithm management technology based on container orchestration	Independently researched and developed	Relying on microservices architecture and container cluster management technology, the system achieves pooled management and scheduling of computing resources, as well as lightweight integration and management of massive algorithms. Based on scheduling strategies, algorithm instances are dispatched to corresponding nodes for execution, enabling dynamic allocation and effective utilisation of cluster computing resources.

No	Core technology	Source of technology	Technical level and degree of application
56	Railway 5G-R Interface Monitoring System and its Key Technologies	Independently researched and developed	Primarily used for monitoring the main interfaces of the 5G-R wireless network, it enables the recording, analysis, and correlation of signalling and business data related to train control vehicle-to-ground communication and dispatch communication processes. This provides data support for the operation and maintenance, fault analysis, and trend warning of the 5G-R wireless network and train control system.
57	Electrical Intelligent Operation and Maintenance Platform Technology	Independently researched and developed	With the goal of "managing assets, managing processes, and managing personnel", this technology aims to comprehensively enhance railway operations and maintenance efficiency and quality, and promote the digitalisation and intelligent transformation of railway electrification: researching equipment lifecycle management technology, using equipment master records, technical documentation, and on-site images as the foundation, to automatically associate equipment alarm information, fault information, maintenance information, and monitoring and testing data, thereby achieving comprehensive lifecycle management of equipment; researching full-process supervision and control technologies for operations, studying closed-loop management of the entire operational process, including planning, approval, execution, closure, evaluation, and assessment, to achieve automatic generation of plans and work orders, intellectualize data flow between business nodes, and improve operational efficiency.

No	Core technology	Source of technology	Technical level and degree of application
58	Embedded Real-time Operating System Framework Technology	Independently researched and developed	It provides a unified framework for embedded real-time operating systems for products using MCU processors, addressing the issue of needing to adapt to multiple different vendor drivers with varying interfaces and usage methods during software development for various equipment. The unified driver framework enables real-time operating system support, protocol stack support, remote upgrades, anomaly detection, and a unified BSP driver interface, providing a foundational support for the digitalisation and intelligentisation of train control equipment.
59	Multi-source Train Positioning Technology Integrated with BeiDou	Independently researched and developed	It adopts a multi-source fusion positioning method based on BeiDou satellite navigation, wheel speed sensors, acceleration information, and a small number of ground-based passive transponders to achieve high-precision autonomous positioning of trains.
60	Fully Automatic Online Coupling and Decoupling Technology	Independently researched and developed	Combining train automatic control technology and fault-safe analysis theory, principles for setting up train coupling zones, management of the fully automatic train coupling process based on "train automatic protection", calculation of coupling authorisation for moving trains, and safety identification of coupled trains are proposed. Through unified management of trains participating in coupling operations and coupled trains, an automated control process for train coupling operations is achieved, enhancing the safety and flexibility of train coupling and formation operations.

No	Core technology	Source of technology	Technical level and degree of application
61	Equipment Health Autonomous Analysis Technology	Independently researched and developed	It establishes a closed-loop system of "self-learning, case accumulation, and capability evolution". Through a large model-driven intelligent analysis engine, it effectively addresses core pain points such as the long accumulation cycle of expert experience and low system iteration efficiency, enabling equipment anomaly identification and health analysis to continuously self-evolve and providing precise decision-making support for complex maintenance scenarios.
62	Fault Emergency Organization Guidance Technology	Independently researched and developed	It establishes a dynamic response mechanism of "knowledge update-scenario matching-intelligent generation", achieving intelligent collaboration in personnel division, maintenance guidance, tool reminders, and passenger broadcast generation during fault emergencies. Leveraging the large model's multi-modal understanding capabilities, it ensures comprehensive coverage of the maintenance solution database while dynamically adapting to personalised scenarios, effectively resolving the contradiction between fragmented maintenance experience and precise guidance requirements, and significantly improving emergency response quality.
63	Multi-Modal Large Model Intelligent Analysis Technology	Independently researched and developed	Rooted in the rail transit and smart city scenarios, it integrates visual and text-based multimodal perception capabilities, aligning with human values and thinking patterns as a new-generation vertical domain large model, and constructs a "perception-inference-decision-making" full-chain intelligent system. Through modular design, it integrates visual perception, language processing, text and image retrieval, and multimodal question-answering components, which are lightweight and flexibly combinable, to pioneer new paradigms for AI application empowerment across multiple fields such as station passenger services, line disaster monitoring, station area intelligent operations, urban street governance, and natural environment protection.

No	Core technology	Source of technology	Technical level and degree of application
64	Multi-Source Data Fusion Artificial Intelligence Analysis Technology	Independently researched and developed	It integrates multi-dimensional, multi-modal data from different times, regions, or information processing stages. Through spatio-temporal alignment, decision-making model structure construction, and the application of reasoning and intelligent algorithms, it synthesises analysis results from different models to form unified, comprehensive analysis outcomes.
65	Video Surveillance System Digitalization Application Technology	Independently researched and developed	Relying on dynamic device identity management technology, it achieves trusted authentication of railway video front-end devices, addresses the risk of device hijacking in complex environments, and establishes a dynamic trusted authentication mechanism; relying on high-concurrency, low-latency streaming media processing technology, it enables efficient video resource access to support thousands of concurrent terminal accesses, meeting the real-time access needs of multiple railway departments; it constructs a standardised third-party AI integration framework, seamlessly connecting large models and intelligent analysis systems through open protocol interfaces, achieving closed-loop interaction between video semantics and intelligent business operations.
66	Fusion of Monitoring Video and Geographic Information Technology	Independently researched and developed	It establishes a connection between the camera pixel coordinate system and the world coordinate system, enabling accurate mapping of target information in videos onto maps and vice versa, thereby bridging the gap between video/image information and geographic information. This provides technical empowerment for refined governance and intelligent decision-making in core smart city domains such as smart urban management, smart emergency response, and smart water management.

No	Core technology	Source of technology	Technical level and degree of application
67	Equipment quality assessment technology	Independently researched and developed	It develops equipment quality assessment methodology through the organic integration and complementary advantages of the Analytic Hierarchy Process and Fuzzy Comprehensive Evaluation Method. The Analytic Hierarchy Process (AHP) is a multi-criteria decision-making method that combines qualitative and quantitative analysis; the Fuzzy Comprehensive Evaluation Method is an approach that utilises the principle of fuzzy relation synthesis to conduct comprehensive assessments of the membership status of evaluated objects based on multiple factors. By integrating these two methods, effective health assessment of equipment and systems can be achieved.
68	Fault prediction and health management technology for signaling control equipment	Independently researched and developed	It covers core signaling control equipment for vehicles, tracks, and networks, including system-level safety product diagnostic twin technology, product-level abnormal trend fault prediction functions, equipment-layer fault prediction solutions, and device interface health assessment models. These enable predictive fault diagnosis and health assessment functions for signaling control equipment.
69	Signaling-specific large model technology	Independently researched and developed	Built upon high-performance open-source generalpurpose large model platforms such as DeepSeek and Qwen, infused with domain-specific knowledge in signaling systems to enhance the model's comprehension and reasoning capabilities for specialised tasks. Meanwhile, dedicated datasets are constructed for practical application scenarios such as code generation and testing, with continuous iterative optimisation of model performance. Ultimately, through the demonstration application of typical signaling products, the practical implementation and validation of intelligent technologies in rail transit signaling systems are achieved, driving the intelligent upgrade and industrial application of rail transit signaling R&D and testing processes.

No	Core technology	Source of technology	Technical level and degree of application
70	Railway 5G dedicated mobile communication (5GR) system MC technology	Independently researched and developed	A core technology customised for mission-critical communication requirements in the railway industry, based on the 3GPP Mission Critical (MC) standard framework. This technology adopts the unified MC architecture, leveraging MCPTT, MCVideo, and MCData to deliver comprehensive service capabilities encompassing voice, video, and data transmission. While fulfilling fundamental functions such as group calling, priority preemption, and dynamic regrouping, it is deeply tailored to railway-specific operational needs. It supports intelligent network features including functional addressing, location-based addressing, location-based group calling, and emergency calls, while meeting the communication continuity requirements in high-speed mobility scenarios. With notable system scalability, it provides critical communication support for intelligent railway construction.
71	Integrated intelligent dispatching and control technology for dedicated railways	Independently researched and developed	This solution integrates traditionally separate management and control systems by establishing a unified center, shared equipment, and common database to simultaneously achieve dispatch management, train operation command, and signaling control. It standardises and streamlines processes while functionally integrating scheduling plans, freight marketing, operation command, construction management, rolling stock, station operations, route control, and statistical analysis for local and dedicated railways. The system synthesizes, summarizes, and archives transportation production process information, enabling more efficient and orderly management of local and dedicated railway operations while ensuring safety. It drives digital transformation of dispatch command and production operations, providing a unified command platform for operators to enhance transportation efficiency and achieve workforce optimisation and cost reduction.

No	Core technology	Source of technology	Technical level and degree of application
72	Intelligent vessel transportation organisation and scheduling technology based on railway-port-shipping coordination	Independently researched and developed	It conducts theoretical and methodological research on digital resource interaction systems, transportation resource forecasting, shipping planning, and vessel scheduling, develops and constructs a shipping data middle platform, a collaborative road-port-shipping operational situation prediction and simulation system, a virtual coal shipping transportation operation system, and a shipping cloud brain platform to achieve logistics progress forecasting for road-port-shipping, vessel operational efficiency prediction, intelligent cargo-vessel matching, and intelligent recommendations for sailing speed and routes, further enhancing the intelligent level of shipping production.
73	Railway electronic map positioning technology	Independently researched and developed	It utilises high-precision satellite positioning technology and a railway electronic map positioning algorithm that integrates interlocking code information, improving the accuracy of train position tracking and assisting in determining whether track circuit sections exhibit poor shunting conditions.
74	Early warning technology integrating video surveillance with railway electronic mapping	Independently researched and developed	By integrating the electronic map of railway geographic information with the coverage areas of trackside camera surveillance, this technology enables train drivers and ground monitoring personnel to promptly access real-time on-site conditions. It reduces communication costs, expands functional application scenarios, and enhances the system's usability and scalability.
75	Train autonomous perception technology	Independently researched and developed	Through the spatiotemporal fusion algorithm of AI vision and LiDAR point clouds, the technology overcomes the global challenge of stable detection for small targets and low-contrast obstacles under complex lighting, weather, and track scenarios. It has established an integrated architecture for train active collision prevention and interval protection based on the "perception-decision-control" closed loop, which can serve as a safety redundancy to take over train control in case of signaling system failure.

No	Core technology	Source of technology	Technical level and degree of application
76	Bidirectional risk isolation and optimized deployment technology for multimodal large models	Independently researched and developed	The bidirectional risk isolation and optimised deployment technologies and tools for multimodal large models in the rail transit sector select typical scenarios to conduct industry application demonstrations of large models. By establishing a technical system that integrates industry knowledge enhancement, multimodal data fusion, and professional capability adaptation, it validates the practicality and reliability of large models in vertical domains, thereby providing replicable and scalable solutions for the intelligent upgrading of the industry.
77	Data reloading management technology for conventional speed train control systems	Independently researched and developed	Research on key technologies for data reloading management includes: reloading plan management for static data and operational notice data, reloading control, reloading monitoring, reloading cancellation, and other critical technologies, along with configuration management based on user permissions.
78	Full lifecycle key status management technology for baseline 4	Independently researched and developed	A full lifecycle technical framework for key status management is established to achieve visualised and automated control over keys from generation and distribution to destruction. A reliable redundancy guarantee mechanism is built to ensure full traceability and security controllability of key status throughout the entire lifecycle, thereby ensuring system reliability and availability.
79	Fully automatic turnaround technology	Independently researched and developed	Leveraging the CTC (Centralised Traffic Control) dispatching system, the automatic issuance of turnaround plans is realised. With one click activation, the onboard train control equipment can autonomously complete the entire process of changing ends, route running, and turnaround alignment. This overcomes the technical barrier of deep integration between the national railway CTCS 2 system and unmanned automatic turnaround functionality, shortens turnaround time, improves the accuracy of automatic turnaround operations, and significantly reduces train dwell time at terminal stations.

No	Core technology	Source of technology	Technical level and degree of application
80	Automatic equipment fault identification technology	Independently researched and developed	By integrating multi source information including operation plan data, station yard indication data, and alarm information, the system enables real time monitoring of system operation status and automatic identification of equipment faults.
81	Onboard wireless dispatching order status monitoring technology	Independently researched and developed	The onboard wireless dispatching order status monitoring technology enables monitoring and display of the issuance and acknowledgement status of wireless dispatching orders that affect multiple trains, such as temporary speed restrictions or pantograph lowering operations. The train status can be automatically updated based on its relative position to the restricted section. When a wireless dispatching order has not been issued in a timely manner, this technology can automatically prompt the dispatcher to issue it promptly.
82	Intelligent collaborative dispatching and maintenance technology for multi disciplinary coordination under heavy passenger flow	Independently researched and developed	Centred on train operation command, it has developed intelligent dispatching and operation maintenance technologies that integrate the status of multiple systems including broadcasting (PIS), lighting, ventilation, and power supply. It features functions such as fully automatic door opening and closing control, precise station announcements, flexible adjustment of train holding/skipping, and automatic generation of revised operation diagrams in emergencies. This overcomes the information silos and linkage control challenges among multiple professional systems–signaling, passenger services, power supply, and equipment maintenance–and breaks through the traditional limitation of "alarm only without action". It achieves intelligent decision making and automatic interlocking based on comprehensive assessment, strongly supporting efficient, safe, and energy saving operations of smart stations, and significantly enhancing the passenger travel experience.

No	Core technology	Source of technology	Technical level and degree of application
83	Intelligent train operation organization technology	Independently researched and developed	Based on the standard CTC system, it has implemented enhanced safety interlocking, proactive interlocking to prevent erroneous operations, automatic adjustment of track allocation, intelligent status based interlocking (covering power supply, track locking, anti runaway, etc.), train dispatching conflict detection, and field post linkage functions. It effectively improves the efficiency of dispatchers, reduce operational pressure, and ensure the safety of train dispatching operations.

The Company actively deployed innovation chain surrounding industrial chain, and was dedicated to transformation and industrialization of core technology achievements. It applied its core technology to rail transportation core systems such as train control system of railway, train control system of ICRs, train control system of urban transit, freight automation system, operation command automation and detection system and communication information system.

New core technologies have been introduced during this period, including the bidirectional risk isolation and optimized deployment technology for multimodal large models, the data reloading management technology for conventional-speed train control systems, the full-lifecycle key status management technology for baseline 4, the fully automatic turnaround technology, the automatic equipment fault identification technology, the onboard wireless dispatching order status monitoring technology, the intelligent collaborative dispatching and maintenance technology for multi-disciplinary coordination under heavy passenger flow, and the intelligent train operation organization technology.

The development of core businesses such as design and integration, equipment manufacturing, system implementation of rail transportation operation and control system of the Company will fully depend on its core technology. During the Reporting Period, no material changes in the core technology occurred.

Details of awards for the National Technology Award

☑ Applicable ☐ Not Applicable

Name of awards	Year of awards	Name of project	Level of awards
National Award for Science and Technology Progress	2002	Integrated technology and equipment for projects related to raising the speed of China's railways	First Prize
National Award for Science and Technology Progress	2006	Model ZPW-2000A joint-less frequency shift automatic blocking system	Second Prize
National Award for Science and Technology Progress	2007	Comprehensive Technology and Application of Heavy Haul Transportation for the Datong-Qinhuangdao Railway Line	First Prize
National Award for Science and Technology Progress	2008	Qinghai-Tibet Railway Engineering Project	Grand Prize
National Award for Science and Technology Progress	2009	Key technology and application of onboard safety control system under complex and high-speed conditions	Second Prize
National Award for Science and Technology Progress	2010	Research and application of key technology for the Suining-Chongqing ballastless track	First Prize
National Award for Science and Technology Progress	2012	Beijing-Tianjin Intercity Railway Project	First Prize
National Award for Science and Technology Progress	2015	Beijing-Shanghai High-Speed Railway Project	Grand Prize

Details of awards for the National Technology Award

☑ Applicable ☐ Not Applicable

No	Name of patents	Name of awards	Year of award	Awarding entity
1	A method for dynamically tracking train position in the urban rail transit signal system	Excellent Award under the 17th China Patent Award	2015	China National Intellectual Property Administration
2	A computer interlocking system with centralised control function	Excellent Award under the 18th China Patent Award	2016	China National Intellectual Property Administration
3	A data collection, transmission and processing equipment for the railway CTC system	Excellent Award under the 19th China Patent Award	2017	China National Intellectual Property Administration
4	An on-board device and rail transit train for the automatic operation of CTCS-3 level trains	Excellent Award under the 19th China Patent Award	2017	China National Intellectual Property Administration
5	A track circuit transmitter and the method for realising fault – oriented safety	Silver Award under the 20th China Patent Award	2018	China National Intellectual Property Administration
6	Train operation control method and device, on-board equipment and train control system	Silver Award under the 21st China Patent Award	2019	China National Intellectual Property Administration
7	Methods and devices for realising shunting route control by combining STP and CTC	Excellent Award under the 22nd China Patent Award	2021	China National Intellectual Property Administration
8	A track circuit	Excellent Award under the 23rd China Patent Award	2021	China National Intellectual Property Administration
9	A method for realising wheel diameter calibration by satellite positioning	Excellent Award under the 23rd China Patent Award	2022	China National Intellectual Property Administration
10	A method and device for online fault detection of track circuit cables	Silver Award under the 24th China Patent Award	2023	China National Intellectual Property Administration
11	A method for implementing flexible train formation operation in urban rail transit	Silver Award under the 24th China Patent Award	2023	China National Intellectual Property Administration
12	Train coupling control method within the area controller based on single train automatic protection	Excellent Award under the 25th China Patent Award	2024	China National Intellectual Property Administration

Recognition of the national specialised and sophisticated "little giant" enterprise and the Model Enterprise of the Manufacturing Industry

☑ Applicable ☐ Not Applicable

Title awarded	Year of recognition	Name of products/name of companies
Single Champion Enterprise in the Manufacturing Industry	2020	Complete sets of equipment for rail transit control system
Single Champion Enterprise in the Manufacturing Industry	2020	Development and integration of complete sets of equipment for rail transportation control system
Single Champion Enterprise in the Manufacturing Industry	2021	Rail transit signal infrastructure
Single Champion Enterprise in the Manufacturing Industry	2021	Train operation control system
Single Champion Enterprise in the Manufacturing Industry	2023	Xi'an Railway Signal Co., Ltd. (Railway Electric Junction Switch Equipment)
Single Champion Product in Manufacturing Industry	2022	Railway signal relay
National specialised and sophisticated "little giant" enterprise	2022	Casco Signal (Beijing) Ltd.
National specialised and sophisticated "little giant" enterprise	2022	Tianjin Railway Signal Co., Ltd.
National specialised and sophisticated "little giant" enterprise	2022	CRSC Wanquan Signal Equipment Co., LTD.
National specialised and sophisticated "little giant" enterprise	2023	CRSC Communication & Information Group Shanghai Company Ltd.
National specialised and sophisticated "little giant" enterprise	2024	Beijing Railway Signal Co., Ltd.
Single Champion Enterprise in the Manufacturing Industry	2025	Tianjin Railway Signal Co., Ltd. (urban rail transit switch equipment)
National specialised and sophisticated "little giant" enterprise	2025	Shanghai Railway Communication Co., Ltd.

2. Research and development achievements during the Reporting Period

During the Reporting Period, in terms of foundational and forward-looking research, the Company completed the construction of a railway electromagnetic environment effect research and testing platform, laying an important foundation for conducting pantograph-overhead line offline effect tests and protection technology validation. The Company overcame the technical challenges of high-power (high voltage, high current) simultaneous output and controllable multi-physical quantity pantograph overhead line offline discharge technology, and built the first domestic 1:1 large-scale test platform. Research was conducted on the electromagnetic characteristics and testing methods of pantograph overhead line offline interference under power frequency high-voltage large current conditions, as well as research on signal system anti-interference technology under the electromagnetic environment of high-speed rail operating at 400 km/h. For high-speed maglev/low-vacuum tube (tunnel) high-speed train operation control systems, dynamic levitation tests under low-vacuum conditions were conducted for the first time internationally. The Company initiated research on superconducting high-speed maglev trains and key studies, and completed the commissioning and testing on the CRRC Changchun test line. The "Electromagnetic Environment Effects and Electromagnetic Safety Railway Industry Engineering Research Centre" and the "High-Speed Railway Operational Environment Intelligent Monitoring Railway Industry Engineering Research Centre" were recognised by the National Railway Administration as railway industry technology innovation bases. The Company has completed the composition design and prototype fabrication of high-thermal-conductivity aluminium alloys, as well as the design of encapsulation material specifications and key process parameters, and prototype fabrication. The Company has launched a signal-specialised large model platform, a secure code-assisted generation assistant, and an automated white-box testing tool; developed a prototype software modular coding assistance tool; completed a general document dataset for railway signal system common standards; and completed dedicated datasets for software testing and secure code generation. The Company has optimised the performance of the model operation management platform, and improved the code generation (optimised version) and the testing efficiency of the intelligent-assisted white-box testing tool. The Company has completed the requirement analysis for the intelligent auxiliary testing agent for conventional-speed DMI. In the area of intelligent operation and maintenance, the track circuit intelligent Q&A system and the electrical-service trackside visual intelligent assistance system have been deployed in application. Regarding the development of Baseline 4 train control system equipment, the Company has completed the Baseline 4 LEU, balise and RBC, which have obtained TSI certificates, and the ATO wayside equipment has completed the first phase of software development and self-testing. For the conventional-speed train control system, the Company has submitted the draft for approval of 10 standard technical documents. The Company has completed cross-testing and interoperability testing of equipment from CRSC, Siwei, Zhuzhou Institute and Railway Academy in two system laboratory environments. The Company has completed the first phase of testing on the loop track for conventional-speed wayside and onboard equipment. The Company conducted research on SIL4-level safety cloud platform technology and completed the development of the core functions of virtualization software for the safety cloud platform. The Company has successfully obtained the DAkkS EN50129 SIL4 Functional Safety Certification and the IEC62443 SL3 Industrial Information Security Certification. The Company has established a large model sample database for observation and balance perception, with over 100,000 open category target detection datasets and more than 150,000 graphic datasets annotated with high quality. The Company achieved the lightweight transformation of large-scale visual modules, and the relevant algorithms have been formed into a fusion perception model combining radar and vision, and has been successfully deployed at six railway stations, including Harbin Station and Guangzhou Jiangcun Station, and is undergoing continuous optimisation and upgrades. It enables detection of open-category targets and identification of target attributes and locations based on semantic prompt information. A high-quality sample library for the large model was created, enabling functions such as abnormal behaviour monitoring of station personnel, cross-scenario personnel trajectory analysis, and large-scale lost item retrieval. This enhanced safety monitoring capabilities along the railway line and within stations. Through intelligent video analysis technology, potential safety hazards were identified in a timely manner, effectively reducing the incidence of safety accidents. Related products have been deployed and applied at Kunming Station, Kunming South Station, Yabuli Station, Harbin Station and Harbin West Station, and multiple user reports have been received.

In terms of supporting overseas engineering projects, the China-Indonesia practical cooperation “flagship project”, the Jakarta-Bandung High-Speed Railway, equipped with the independent CTCS3 train control system, has successfully become operational. This project laid a solid foundation for the operation of China’s full high-speed rail system, all components, and the entire industrial chain overseas, serving as an excellent demonstration for China’s railway signal standards going global. The full opening of all stations along the Padma Bridge Railway, built through the cooperation between China and Bangladesh, and CRSC solutions once again demonstrate their excellence. The completion and acceptance of the PCC control centre renovation project for Mexico City’s Lines 1-6, followed by its trial operation, contributed to the safe and efficient operation of the Mexico City subway, showcasing China’s strength in supporting the project. The completion of the Serbia laboratory supported the deployment of the ETCS train control system ground equipment based on Baseline 3 on the Serbian section of the Budapest–Belgrade railway. The Company completed DeBo certification for Serbian signal machines and INDUSI responders, obtaining DeBo certification and applying the signal machines in Serbia. Additionally, DeBo certification for level crossing control equipment and LED safety-type signal machines, interlocking and RBC was completed for Hungary, along with expanded DeBo certification for responders and station computer interlocking equipment. The Company also completed the acceptance inspection of the MAV functions for the interlocking, CTC, and level-crossing software, and has commissioned their functions on-site. The train-mounted ETCS-400T system for five European countries completed field tests for Germany’s Baseline 2 and Baseline 3 lines, obtaining new safety certificates and reports. The ETCS-400T onboard equipment has completed the NoBo and AsBo assessments and the ETCS testing on the Serbian main line, which has been deployed in Austria, Serbia, Turkey and other countries. The completion of the Thailand laboratory, along with the development of computer interlocking and CTC systems for the Thailand project, contributed to the SIL4 evaluation of Thailand’s interlocking equipment, supporting the completion of factory acceptance tests for 29 stations and providing strong support for the railway signal system renovation project in Thailand. The satellite-based mobile block train control system secured a commercial contract for the Morébaya-Simandou Railway in Guinea and its branch lines, marking another breakthrough for China’s railway technology and equipment in the international market, featuring capabilities such as moving block, balise-based backup, heavy-haul control, virtual coupling, and automatic train operation (ATO). The Company successfully obtained the Bogota Metro Line 1 fully automated driverless (GoA4 level) operation scenario and system integration consulting project, further demonstrating its global service capabilities. It also secured the Dubai Blue Line communication signal system integration contract project, achieving a breakthrough in the Gulf market and injecting new momentum into the global development of intelligent rail transit. For the customised STM system R&D project for the Malaysian rail transit market, the Company has completed the validation tests for the STM main unit and the DMI human machine interface unit. The safety certification is expected to be completed in August, to be followed by on site field trials. The Company has contributed to the passenger service commencement on the first through section of Phase III of Egypt's 10th of Ramadan City Railway, achieving significant milestone results and continuing to demonstrate the responsibility and commitment of Chinese enterprises in the development of Egypt's urban rail transit. The Company's self developed Smart Automatic Train Control (SATC) system, witnessed jointly by the Land Transport Authority (LTA) and SMRT Trains, has successfully completed the Proof of Concept (PoC) test at Bishan Depot. This marks a solid step forward for the system based on autonomous positioning and autonomous perception towards providing high quality services to customers, and opens up broad prospects for the application of high resilience signaling systems in the international market.

In supporting the country's major strategic initiatives, the Company contributed to the "CR450 Technological Innovation Project," proposing train control system solutions for two application scenarios: The construction of high-speed railways with speeds over 400 km/h and the speed-up renovation of existing high-speed rail lines. Key technological equipment was developed, and the interface type test for 400 km/h trains was completed on the Wuhan-Yichang high-speed railway, in support of the communication and signalling engineering and system integration innovation for the Chengdu-Chongqing Central Line. In the area of 30,000-ton heavy freight train group operation control technology, the Company completed theoretical and technological innovations in coordinated train control and efficient station arrival/departure operations. The Company also completed the construction of an off-site data collaboration laboratory and a field testing centre, and completed on site field trials on the Baoshen North Line test section, including full scenario tests involving seven 5,000 tonne heavy haul trains operating in groups across 9 stations and 8 intervals, with automatic train operation, as well as testing of 10,000 tonne trains, 5,000 tonne combined groups, and group train tracking intervals. The Company promoted the on site trial use of domestically produced chip based track circuits and balises. For the domestically produced chip based computer based interlocking system at Huaxi Station, the Company has completed software testing, on site delivery and simulation testing, and the system is now ready for on site commissioning. In the field of integrated multi-dimensional transportation systems, the Company has established a collaborative operation technology system for intercity/suburban rail transit networks and an autonomous integrated technology system for regional rail transit comprehensive dispatching command and train operation control. The Company has developed a train autonomous operation control system capable of multi mode interoperability, and has developed a big data cloud brain platform for regional rail transit operations and services, a dynamic intelligent train diagram compilation system, a regional network comprehensive dispatching system, and an intelligent passenger service system for regional rail transit. The Company has also developed complete system equipment integrating dispatching command and train operation control, and has completed experimental verification for integrated operation of regional rail transit networks. In addition, the Company has carried out on site test verification of the integrated dispatching and control system in Chongqing. The Company also completed research on the C2+ATO train control onboard system for suburban railways on the Shanghai Suburban Railway Airport Link on 27 December 2024. Additionally, the Company won the signal system procurement projects for the Shanghai Metro Suburban Jiamin Line, Demonstration Zone Line, and Nanhui Branch Line. The Company designed the fully automated rail transit line with a speed of up to 100 km/h, the Suzhou Metro Line 11, which was successfully launched and operated. This line seamlessly connects with Shanghai Metro Line 11, creating a typical demonstration for further advancing inter-regional integration of urban rail transit in China.

In promoting the development of industry technology in the railway sector, the Company completed the design plan for typical high-speed railway signal system overhauls and renovation projects. It also developed the health assessment standard system for key signal system equipment and the health assessment plan, as well as the integrated implementation plan for typical high-speed railway signal system overhauls and renovations. Additionally, the Company completed the performance enhancement technology plan for high-speed railway train control systems, laying the foundation for guiding subsequent major overhaul and renovation of high-speed railways. The Company has also completed the development of the digital twin design platform for the four electrical systems, and carried out application demonstrations of mainline railway digital design at Kaili South Station (Chengdu Railway Bureau), an integrated on-site demonstration of urban rail digital design at Datunlu East–Beiyuanbei Station on Beijing Metro Line 5, and an application demonstration of the design-construction workflow for mainline railways at Mayang Station (Guangzhou Railway Bureau). The C3 train control intelligent analysis system was successfully developed, enabling the full-chain monitoring data and intelligent diagnostics of the "train-network-ground" C3 train control system, with a successful demonstration application. The Company has completed the R&D of train control equipment adapted to 5G R and conducted on site tests on the He'an Line. The Company has also completed the on site demonstration application of a new train control system based on Beidou satellite positioning, and the digital integrated management and control technology for freight yards has been promoted and trial operated at Zhengzhou International Land Port. In addition, the Company has completed the demonstration application of a two tier train control system based on wayside digital intelligence and cloud at Tanggongta Collection and Distribution Station; completed the production of equipment for the two level train control centre at Xianggang Jinhang Port Station; conducted research on the security cloud hot standby scheme for Nanjing Metro Line 2 to support the promotion of two level train control in urban rail; and completed on site tests of the digital switch machine for Beijing Metro. The Company developed the integrated management and control system for passenger transport hubs, constructing "three platforms" for centralised scheduling, comprehensive sharing, and new technology applications. It achieved five intelligent functions: Train operation organisation, shunter operation, passenger transport operations, maintenance operations, and emergency handling. The Company deployed research on key 5G-R technology for rail transit, developing a prototype device based on full-service 5G CIR functionality and creating a lightweight 5G base station. Demonstrations were carried out at Chengdu North Station, and the trial use of the 5G-based shunting system was completed at Qilu Petrochemical. The development of the 400MHz train digital wireless dispatch communication system was completed, meeting the conditions for promotion in the national railway market. We have conducted research and development on key intelligent technologies and equipment for marshalling yards, and the Company is currently promoting its application. Additionally, we designed the module architecture and core functionalities of the Video Network Fusion Analysis Platform, completing the development and packaging of general algorithms and deploying the system on-site. Our efforts in integrated video surveillance systems have led to containerized video solutions, successfully validated through performance testing. The new-standard railway integrated video surveillance system became the first to pass CRCC certification and has been deployed in key national railway projects, including core node upgrades for China Railway Group, as well as the regional node upgrades of Beijing, Shanghai and Guangzhou bureaus, Tianjin-Qinhuangdao video, Shantou-Shanwei video, Chizhou-Huangshan video, Ganzhou-Shenzhen video, Guangzhou-Shantou video, Guiyang-Guangzhou railway transformation, Huzhou-Hangzhou video, and Dali-Baoshan video. These implementations have enabled the integration of video cloud platforms with 3D video, providing enhanced global monitoring capabilities and more dynamic scene visualization, continuously leading the industry in application innovation. The Company conducted research on a general-purpose basic framework for video, completed a joint project with China Railway Group, and completed a network flattening design suitable for railway scenarios, thereby improving the level of information security transmission for video and obtaining 35114C-level certification issued by the First Research Institute of the Ministry of Public Security. The Company has completed the development of the digitalized and intelligent video core platform, the video semantic extraction platform, the local resource sharing system, the PHM system framework prototype, and the intelligent video interaction system for railway intelligent application scenarios. It also conducted research on 5G-R networks and terminal data management systems, which have been put into use on the Hefei-Xinyi High Speed Railway. Furthermore, we developed an intelligent railway communication equipment room management system, integrating smart perception, digital twin technology, and data visualization. This system has been successfully implemented at Meilong High-Speed Railway’s Wuhua Station and Xinning South Station. The Company has promoted the implementation of factory-based construction technology on the Xiong'an-Xinzhou High-Speed Railway, established the Xiong'an modular prefabrication and pre-assembly base, and completed the modular construction of four relay stations, as well as the first-article evaluation and acceptance for the communication and signalling works at Tangxian Station.

In promoting the construction of intelligent urban rail, the Company launched the “Xihe” digital urban rail solution, focusing on enhancing operational safety and resilience. Based on the independently developed open digital foundation for rail transit and scalable signal control professional models, the Company has built two major platforms: Intelligent operation control and intelligent maintenance. These platforms integrate a series of intelligent application products to support the industry’s digital and intelligent transformation and upgrading. The Company's Full-Stack Digital and Intelligent System for Urban Rail Transit, which serves as the technical core of the "Xihe" digital urban rail solution, has been successfully selected as a national standardization pilot project. The Company will endeavor to transform its first-mover technological advantage into a standard-setting leadership position in the digital urban rail industry. The high-reliability train-to-train communication and highly trusted train-to-ground collaboration-based high-efficiency Qiji train autonomous control system (TACS) was officially put into passenger operation on Shanghai Metro Line 3/4 on 27 December 2025. This marks the first application of a TACS system on a high passenger flow and high density line in China, and opens a new chapter for the industry in the renovation of the most complex metro signalling system. The Qiji TACS, leveraging train to train communication and train to ground coordination, has been successfully included in the Handbook of Recommended Achievements from the Catalogue of Scientific and Technological Innovation Achievements of Central State owned Enterprises, becoming a high end equipment technology achievement recommended at the national level as a “carefully selected” solution. The Company completed the TACS onboard and existing communications-based train control (CBTC) compatibility field verification tests, confirming the feasibility of interoperating trains on CBTC and TACS lines, expanding new possibilities for the application of multi-mode train control systems, and providing a new solution for large-scale urban rail transit signal system overhauls. This development is of milestone significance for promoting the industry’s sustainable development. The Company has completed the development of the autonomous environmental perception TAPS system for driverless trains, which features a longer detection range and richer perception information. The system was successfully put into operation on Ningbo Line 7 on 29 August 2025, leading the industry's technological innovation. It has pioneered research on key technologies for fully automated flexible train shunting, breaking through traditional operational organisation models in train control systems, and contributing to energy-saving and carbon reduction. The system was put into passenger service on Beijing Metro Line 12, leading innovation in green, low-carbon urban rail transit technologies. The "Multi-Mode Compatible Signal System for Network Integration" was successfully deployed on Changchun Metro Line 4. Through the evaluation by the China Association of Metros on technological achievements, this system extended the existing line, which uses a digital track circuit signal system, with CBTC systems for the extended line. The system's compatibility devices met the full-line operational requirements. The Company independently developed a new generation of networked intelligent train control system (NiTC), which obtained SIL4-class product certification. This system integrates the core functions of the TACS system while maintaining the traditional degradation backup mode. The system has completed trial operation on the Hefei S1 Line and is now ready for engineering application. The Company completed the research on signal control and transportation organisation schemes for urban rail transit under complex and harsh environments. It designed a multi-level braking rate parameter protection adjustment and train operation organisation scheme suitable for complex environments, applying AI-based algorithms to dynamically identify parameters in different complex environments. The SIL4-level snow and rain functional module was developed and certified, expanding the safety protection boundaries of the signal system. The Company is developing a two-level architecture urban rail train control system based on trackside digital intelligence, completing the logic centralised deployment system (LCS) migration, developed a system test prototype, and completed on site testing of the complete system. The Company has won the bid for the Riyadh Monorail Signaling System project in Saudi Arabia, marking the first overseas deployment of its independently developed FAO system. In addition, the Company has won the bid for the Nanjing Metro Line 2 signaling system renovation project based on the DS6 C safety cloud platform, which adopts a multiple safety redundancy architecture, significantly improving system reliability and operational service quality. The urban rail transit video surveillance system the Company developed has been applied in Changchun Metro Line 6. The Company assisted in the official upgrade of Shanghai Metro Line 2 to become the world's first metro line with a "dual signal system". The CBTC+TBTC "dual signal system" will significantly enhance the system's intelligence and safety, achieving a "zero" breakthrough in the seamless renovation of the entire line for continuous operation during peak passenger flows. The Company successfully completed the first-flight scenario verification for the UAV AI inspection and emergency command system, achieving multi-drone collaborative high-efficiency inspections, intelligent monitoring of foreign object encroachment, and system integration for coordinated control. This has created new capabilities for building intelligent transportation solutions from the ground to low altitude. The "Full-Space Intelligent Perception Inspection System" has been successfully selected as one of the "Top Ten Benchmark Demonstration Scenarios in Anhui Province for 2024 (2024年度安徽省十大標杆示範場景)", further deepening the integration of "low-altitude economy + rail transit" demonstration scenarios. The Company has carried out industry application research on region-wide integrated perception based on multi-source data fusion, completed the research on multi-source data fusion AI analytics technology and massive IoT technology, and broken through the technical bottlenecks in access and management of massive heterogeneous devices under multiple environments and protocols. As a result, the Company has achieved stable connections and efficient data access for devices at the scale of hundreds of thousands. These technologies have been deployed and applied in region-wide perception projects in Eryuan (Dali), Gejiu (Honghe), Shuhe Ancient Town (Lijiang), and other locations.

In terms of basic equipment and materials development, the full electronic interlocking equipment software and system integration passed CURC certification, obtaining the first Urban Rail Transit Equipment Certification in the industry. This marked the first breakthrough in full electronic interlocking for urban rail transit sector qualification and industry recognition. The Company completed the system testing and confirmation of the station digital track circuit and obtained SIL4 safety certification, which has been applied at Dalongcun Station and Mengyuan Station. The Company has completed the safety certification and loop track testing of the digital computer-based interlocking system. The Company also completed the trial use of locomotive onboard relays and received an operational report. The development and trial use of onboard relays were completed, passing third-party IEC standard-type testing and obtaining the mandatory guidance certificate. The Company successfully developed a high-frequency digital AC power supply module and completed the prototype testing for the lightweight power system, including standard temperature and high/low-temperature tests, and established small-batch trial production capabilities. The development of long-distance information transmission axle counting equipment was completed, and the relay-type station axle counting equipment obtained SIL4 safety certification. The Company also completed the development of axle counting and track circuit shared-cable transmission equipment, which obtained SIL4 safety certification. Additionally, the ZPW-2000 section track circuit outdoor monitoring system (split-type), junction switch intelligent diagnostic system, junction rail breakage monitoring system, electromagnetic heating junction snow-melting system, associated DC four-wire dual-electric switch machine control circuits (ZD9 type), AC dual-machine parallel ZDJ9 switch machines and the ZDJ9 full-stroke monitoring system underwent trial tests and were promoted for application. The safety-type LED signal machine obtained certification in Serbia, completing the first evaluation. The trial use at the southern section of Baotou North Station was successfully completed, passing the trial assessment. It completed the first batch of deliveries of the switch machine for the Tanzania project, improved the sealing performance of the JM-type close inspection device; achieved independent networking of the QJY notch monitoring system, completed the expansion function design of the notch monitoring system, and realised oil pressure, oil level, and current monitoring functions; the long-distance information transmission type axle counting device obtained the SIL4 safety assessment certificate, passed the CRCC certification, and is ready for small-scale trial production. The redundant structure contact group applied to ZD(J)9 switch machines has been put into on track trial use on the Beijing Metro, passed technical review, and obtained the CRCC change confirmation notice. The optimized and improved prototype of the friction clutch for ZD(J)9 switch machines has been put into on track trial use; the AC dual machine parallel ZDJ9 switch machine has been put into on track trial use at the Suide Electricity Maintenance Depot and has obtained the CRCC certification certificate. The ZDJ9 full stroke monitoring system has been put into on track trial use at Nanding Station of the Qingdao Section of Jinan Railway Bureau, has generated sales in the Ankang Section of Xi'an Railway Bureau, and the conversion force monitoring sensor has been put into on track trial use on Guangzhou Metro Line 13. The software development of the turnout health comprehensive diagnosis platform has been completed, its functions have been verified, and it has been put into on track trial use on the Tianjin Metro. The installation and commissioning of the frozen coal thawing demonstration application equipment for rolling stock at Huanghua Port have been completed, and the Company plans to conduct on site thawing tests during the snowfall season in winter 2026 to collect test data, verify its overall effectiveness, and carry out system optimization based on the field test data.

Regarding the Company's core technologies and main products, in 2026, newly applied patents increased by 443, including 411 applied invention patents; newly authorised patents increased by 281, including 248 invention patents. The invention "Train Coupling Control Method within an Area Controller Based on Single Train Automatic Protection" also won the Excellence Award at the 25th China Patent Awards. The Company, as the lead undertaker, has been awarded the First Prize of the Science and Technology Award of the China Transportation Association for its projects "Research and Application of Big Data Intelligent Service Platform for Heavy haul Railway Transportation" and "Research on Key Technologies for Safe Perception of Multi mode Integrated Track Circuits and Application of Complete Equipment Sets". The project "Key Technologies and Application of Autonomous Train Operation" has been awarded the First Prize of the Outstanding Scientific Research Achievement Award of the Ministry of Education. In addition, the Company, as the lead undertaker, won first place in the finals of the "Low, Slow, Small (LSS) Target Countermeasure Sub competition" of the "Zhiwei Cup – 2025 Unmanned Systems Challenge" organised by the Equipment Department of the People's Armed Police Force for its "CRSC Airspace Management Monitoring and Protection System". Furthermore, the Company participated in the projects "Research and Application of Key Technologies for Safety and Trustworthiness Testing of Rail Transit Control Systems" and "Comprehensive Evaluation System and Key Technologies for Fitness for duty of Commercial Vehicle and Vessel Operators", which were also awarded the First Prize of the Science and Technology Award of the China Transportation Association. The Company has undertaken 19 national-level projects supported by ministries and 22 projects supported by industry authorities, as well as more than 50 national and industry-level standard formulation tasks. During the first half of 2026, the Company led the development and publication of 3 industry standards. Cumulatively, one expert of the Company has received the IEC 1906 Award for 2023, and a total of 6 international standards for which the Company acted as the lead developer and 7 international standards to which the Company contributed have been officially published. As the host organisation of the authoritative journal in the rail transit control industry, Railway Signalling & Communication Engineering, the Company regularly publish research and application results in authoritative industry journals, including Railway Signalling and Communication, hosted by China Railway, and Journal of the China Railway Society and Railway Signalling and Communication Engineering Technology, both hosted by the China Railway Society. In April 2025, the Company officially established the Communications and Signalling Subcommittee of the Standardisation Technical Committee of the China Urban Rail Transit Association (中國城市軌道交通協會標準化技術委員會通信信號分技術委員, CAMET/TC/SC15, hereinafter referred to as the "Communications and Signalling Subcommittee"), which will leverage the advantages of group standards to provide a solid foundation for standardisation in the field of communications and signalling for urban rail transit in China, and to realise "smart urban rail transit", "green urban rail transit", "integrated urban rail transit"and "domestic innovation urban rail transit".

List of intellectual property rights obtained during the Reporting Period

	Increase for the period		Accumulative number	
1H2026	**Number of applications**	**Number of approvals**	**Number of applications**	**Number of approvals**
Invention patent	411	248	8,727	4,158
including: overseas patent	109	52	1,143	502
Utility model patent	30	33	3,092	1,933
Design patent	2	0	207	157
Software copyright	106	117	3,115	3,497
Others	0	0	4	4
Total	549	398	15,145	9,749

3. *Research and development investment*

Unit: Yuan Currency: RMB

	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Expensed research and development investment	785,525,409.89	802,855,676.42	-2.16
Capitalized research and development investment	129,744,436.47	46,076,401.09	181.59
Total research and development investment	915,269,846.36	848,932,077.51	7.81
Percentage of total research and development investment in revenue (%)	6.50	5.79	0.71
Percentage of capitalized research and development investment (%)	14.18	5.43	8.75

Reasons for material change on total research and development investment as compared to last year

☐ Applicable ☑ Not Applicable

Reasons for material change in percentage of capitalized research and development investment and its rationality

☑ Applicable ☐ Not Applicable

The substantial increase in the proportion of capitalised R&D expenditure is mainly attributable to the Company carrying out R&D projects centred on dual business tracks of "rail transit + low-altitude economy" The progress of R&D projects is affected by multiple factors such as project initiation planning, key technical breakthrough milestones and project scheduling. Accordingly, the progress of projects satisfying the capitalisation criteria varies from year to year. In strict compliance with Accounting Standard for Business Enterprises No.6–Intangible Assets, the Company assesses on an item-by-item basis the five criteria for capitalisation at the development phase.

4. *Projects under development*

☑ Applicable ☐ Not Applicable

Unit: RMB0'000 Currency: RMB

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
1	Research and development of a new generation of centralised traffic control system	20,986.10	2,128.04	18,717.33	The intelligent CTC system featuring functions such as automatic timetable adjustment, integrated train dispatching and power regulation, and disaster monitoring has been successfully demonstrated on the Beijing-Shanghai High-Speed Railway. A dispatch emergency decision support system was developed, integrating various information including CTC station displays, train schedules, and dispatching orders, achieving intelligent fault identification, rapid regulation queries, automated handling procedures, and controlled key steps, which has been piloted at Jinan Bureau and Shanghai Bureau. The smart hub system based on the CTC3.0 system for major stations has been further extended to key hubs including Jinan EMU Depot, Dalang Passenger Depot, Hankou Station, Zhengzhou East Station, Jiayuguan Station, Baicheng Station, Lanzhou Station and other hub stations. AI-integrated simulation training system has been applied at the vocational education base of Shanghai Station.	To complete the research and development of a new generation of centralised traffic control system and apply it in engineering practice.	The new generation of centralised traffic control system adopts the principle of intelligent decentralised and self discipline design to realise the unified control of train and shunting operation, and realised intelligent adjustment of train diagrams, station-level operation safety management and control strategies, multi-disciplinary collaborative control, intelligent simulation training, assisted decision-making for emergency scenarios, and improved system maintainability through hardware and software upgrades. The technology has reached domestically leading standards.	It can be applied to railway

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
2	Research and application of high-density automatic operation control technology for ad-hoc network of heavy-haul trains	25,000.00	5,309.78	27,091.14	The Company has completed on-site field trials on the Baoshen North Line test section, including full-scenario tests involving seven 5,000-tonne heavy-haul trains operating in groups across 9 stations and 8 intervals, with automatic train operation, as well as testing of 10,000-tonne trains, 5,000-tonne combined groups, and group train tracking intervals.	Aiming at the development needs of heavy-haul railways to breakthrough capacity limits through group operation, theoretical technical objectives, system equipment objectives, and application demonstration objectives have been set. Ultimately, the engineering demonstration was completed, achieving the operation of a 35,000-tonne group train, and supporting the application of related positioning technologies.	Based on China's high-speed rail control and autonomous driving technology, the project aims to improve the efficiency and safety of heavy-haul freight rail transportation. The technology has reached the domestic leading level.	It can be applied to the domestic heavy-haul railways
3	Development of train fully autonomous operation and control system	37,007.25	2,230.29	32,991.78	The system has been put Into commercial operation On Shenzhen Metro Line 20, Becoming the first TACS system In the industry to operate commercially. It has officially commenced passenger operations on Shanghai Metro Lines 3/4 on 27 December 2025, marking China's first TACS retrofit project and the inaugural application of TACS systems in high-capacity, high-density rail lines. Based on the successful application of the Qiji TACS on Shanghai Metro Line 3/4, the Company will further optimize the system performance and enhance customer experience and satisfaction. For the Wuhan Metro Line 1 renovation project, the Company is carrying out enhanced development of the Qiji TACS tailored to the customized requirements of the Wuhan line. The project is currently at the ATO high-speed operation stage, and commercial operation is scheduled to commence by the end of 2027.	To assemble the train fully autonomous operation and operation system.	It completed the development of the first Train Autonomous Circumambulate System (TACS system) based on vehicle-to-vehicle communication in China, which has reached the advanced level in the world.	It can be applied to urban rail transit

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
4	Integrated development and certification of onboard systems in five European nations	3,148.00	86.68	2,604.10	Completed NoBo and AsBo assessments for the ETCS-400T onboard equipment, finalized ETCS mainline testing in Serbia, and achieved operational readiness for deployment in Austria, Serbia, Turkey, and other countries.	To develop ETCS onboard system applicable to the operation requirements of five European nations, and complete safety certification, NoBo certification and DeBo certification, so as to support the promotion and application of our ETCS onboard products in European core markets.	It meets the B3R2 technical standard of the highest version of ETCS baseline 3, supports E2 and E1 operation levels, meets the local functional requirements of five European nations and the non-stop operation requirements of transnational interconnection, and boasts the world-class level.	It can be applied in the railways in five European nations (Germany, Austria, Switzerland, Hungary, Slovakia)
5	Development and application of intelligent subway operation and maintenance	11,614.31	749.47	10,561.79	Completed the release of version V2.1.0 of the intelligent operation and maintenance platform, achieving functions including medium- and long-term health assessment and graded maintenance guidance for signalling equipment, end-to-end diagnostic analysis of communication systems, refined management of digital assets, collaborative emergency response to faults, and daily unified reporting management for operation and maintenance. The system has been put into pilot application at five operation and maintenance centres of Shanghai Metro, namely Longde Road, Chentai Road, Puhuitang, Dongbaoxing, and Longyang Road.	To realise the condition maintenance based on intelligent operation and maintenance system, comprehensively improve equipment reliability, prolong equipment service life, improve maintenance efficiency and save maintenance labour cost.	The proposed digital operation and maintenance theory of the whole life cycle of train control system, adopts technologies such as train control multi-source digital perception, multi engine intelligent analysis and diagnosis, and health management based on cloud platform, which are at domestically and internationally leading level.	It can be applied to the field of railway and urban rail transit

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
6	Development of rail side target controller	14,695.23	695.23	12,707.79	The system was released, and applied into Shenzhen Metro Line 20. The software coding work for the target controller scheme of Shenzhen Metro Line 20 Phase II was commenced. For the Baoshan Road renovation project on Shanghai Metro Lines 3/4, the development and deployment of the supporting target controller system were completed. It added the slow-release function for the new signal machine module, which has been deployed on the Neijiang-Liupanshui Line, and completed the integration of the switch monitoring and acquisition module ACS, planned for use on the Shanghai Chongming Line. Conducted investigations into electrification interference at Shengang Station and Shenzhen Metro Line 3, and formulated product optimisation plans. Modifications to the SDDM board were made in response to the startup optimisation request raised by the user at Hailar North.	We have achieved the safe drive and collection of trackside signal equipment (including turnouts, signal machines, track circuits, code-encoded equipment, and miscellaneous equipment), creating a rail side intelligent target controller, and adapted various control systems based on the application scenarios.	As the direct control unit of rail side signal equipment, the target controller adopts the architecture of double two out of two, which has the characteristics of high safety, high reliability, high integration and intelligence, and greatly reduces the workload of installation, commissioning and maintenance. The electronic module can be flexibly applied to each signal system.	It can be applied to the field of railway and urban rail transit
7	Research on high-speed maglev/low vacuum pipeline (tunnel) high-speed train operation control system and production of equipment	6,525.00	103.97	6,016.73	The project is researching a low-vacuum tube tunnel high-speed maglev control system and equipment, and has completed dynamic suspension tests on the Datong Yanggao test line in Shanxi Province. It has also completed the world's first dynamic suspension test under low-vacuum conditions, and completed the laboratory renovation for the high-speed maglev control system.	To establish the train control system and equipment with proprietary intellectual property rights and supporting high-speed maglev with a speed of 600 km/hour and low- vacuum pipeline (tunnel) high-speed train with a speed of 1,000 km/hour.	It filled the blankness in the rail transportation system with a speed of 600-1,000 km/hour, which is the first in China at an internationally leading level.	It can be applied to high-speed maglev

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
8	Development of autonomous perception system of trains	6,518.35	530.69	5,686.85	The TARS-D 1.1. has been completed, and the ISA certification has been obtained. Ningbo Line 7 was successfully inaugurated on 29 August 2025, with the system now capable of longer recognition distances and more comprehensive perception information. Combined with the signaling system to form a SATC backup solution, we have completed the retrofit and commissioning of 10 trains on Beijing Line 9, which are now ready for trial operation, significantly enhancing the operational resilience of the existing system. The system's highlights have attracted international attention, and the PoC demonstration and validation in Singapore was successfully completed and well received. Leveraging the Dapeng Branch Line project, we continue to optimize the functionality and performance of the TARS system, while steadily advancing product engineering and standardization efforts.	To achieve perception and protection of obstacles along railway tracks, assist in train safety operations, and research the interface between the perception system and onboard equipment for coordinated interaction, so as to further supplement and upgrade the existing signaling system.	It adopts multi-source environmental perception detection devices based on LiDAR, cameras, and other sensors. Combined with proprietary perception algorithms and a 2oo2 safety computing platform, it has achieved a safe forward obstacle perception function. The safety interface with the onboard system has been verified, enabling automatic train control based on perception results to avoid collisions or minimize accident consequences. This provides robust protection for safe rail transit operations and is at an industry-leading level.	It can be applied to urban rail transit and freight railways

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
9	Train Control System Research of western railways	2,000.00	1,768.74	2,450.12	The draft for public comment of 10 standards, including the General Technical Specifications for Railway Train Control Systems, has been released. In response, we have developed five product prototypes, covering onboard ATP, ATO, TSRS, and others.	To develop the overall technical program, system architecture and key technical program of communication and signal system with high reliability, low maintenance and comprehensive safety for western railways, support the equipment development of western railways, and ensure the construction, operation and maintenance of western railways.	In light of the problems and challenges of reliable communication, operation control, equipment maintenance, disaster perception and decision-making of the communication signal system caused by the extremely complex working conditions of the western railways, it develops the high reliability technology of trackside equipment under extreme application conditions, the construction of efficient and safe braking model with multiple complex factors and automatic driving technology, disaster holographic perception technology, multilevel redundancy and high toughness mobile communication technology emergency monitoring, dispatching and command with comprehensive linkage of multiple disciplines and other key technologies.	For use in western railways
10	Research on train control systems of high-speed rail with higher speed	1,367.00	165.38	1,381.08	The research report on the overall plan of the train control system for higher speeds, software and PVI of ground and onboard equipment, and adaptability of switch conversion equipment has been formed. The development of the large-size responder prototype and the study on the impact of electromagnetic environments on the control system have been completed, along with system laboratory verification. The system laboratory verification has been completed, and the CR450 onboard system has been released. The interface type test for the 400 km/h train was completed on the Wuhan–Yichang high-speed railway.	To study solutions on train control systems under two application scenarios, namely the construction of new high-speed rail with a speed of over 400 km/h and the speed increase and transformation of existing high-speed rail with outstanding conditions, and to develop key technology and equipment.	It achieved breakthroughs in the difficulty on safety control and equipment reliability in the high-speed operation supported with the existing C3 system with a speed of 450 km/h and further diversified and expanded the basic theory of train control technology and engineering practice experience in high-speed rail in China with a leading level in the industry.	It can be applied in high-speed rail with a speed of over 400 km/h

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
11	Research on digital control technology for freight yards	3,000.00	36.55	2,964.05	The solution research and equipment development have been completed. An on-site application demonstration was conducted at the Mohan freight yard of the China-Laos Railway, and an application certification has been obtained.	To set up digital control systems on freight yards with intelligent equipment, digital business, information-based operation and integrated control to assist in freight and production at railway stations, the improvement of operational efficiency, the standardisation of basic management and the enhancement of safety guarantee.	It improved the automatic and intelligent operation of loading and unloading equipment at the front of wharfs, horizontal transportation vehicles, loading and unloading machinery at yards and other key equipment and improved the efficiency of reloading operation of goods at the wharf.	It can be applied in the field of freight railways
12	As-frequent-as-buses and networking train dispatching system for urban railways	8,143.52	571.05	6,456.06	Software development for the new features applicable to the Shanghai Suburban Railway's Nanhui Branch Line, Jiamin Line, and Demonstration Zone Line projects has been completed, and indoor simulation testing is currently underway.	To realize train-ground clock synchronization, dual-network redundant LTE communication between train and ground, wireless temporary speed restriction, wireless redundant movement authority, full-side platform door isolation, emergency unlocking of train doors, and repeater balise functionality, as well as the improvement of the resilience of suburban railways.	Through the development of resilience-enhancing functions, the system is able to quickly restore operation under fault scenarios such as track circuit failure in the section, single-network LTE interruption, or onboard equipment restart due to failure in the section, achieving a leading domestic technological level.	It can be applied in the field of urban railways
13	Comprehensive automation system on the operation of urban rail transit for train traffic control	9,210.36	867.61	4,575.71	Based on the knowledge action foundation, the intelligent operation control system has been completed, achieving full integration of all low-voltage disciplines. On the Dubai Blue Line, full integration of communication systems has been implemented, further enhancing safety control capability and improving the platform's adaptability to overseas standards and project requirements, thereby laying a solid foundation for the further expansion of overseas business. Meanwhile, the research outcomes of the intelligent operation control system based on the knowledge action foundation have been applied to the Changchun line network, enabling digital, intelligent, and refined decision-making and command for the urban rail transit network.	To build multidisciplinary, integrated and coordinated engines with train traffic as the core and achieve the effective integration and coordinated linkage of train traffic control, supervision on power supply, environment and equipment, safety protection, passenger service, wireless communications as well as multidisciplinary systems.	It can accurately track the location and operation conditions of trains in a real-time manner by leveraging on the train operation control system, decide the generation of the best trans-disciplinary linkage proposals and apply the integrated communication and linkage execution technologies based on distributed message bus and real-time database to conduct real-time driving and coordinated control on multidisciplinary systems and equipment in the full process and effectively improve the accuracy, timeliness and safety of trans-disciplinary linkage. The technology will reach the domestic leading level.	It can be applied to urban rail transit

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
14	Research and equipment development of the multimode interoperable train control system	2,700.00	535.74	2,730.41	The interface protocol definitions for ATP-CCS and CCS-CTC, the modification scheme for the onboard cabinet, and the development of ATP/ATO onboard software compliant with Document No. 79 has been finalized. The company-level review of the automatic shunting solution has been completed. We are currently debugging GOA2 functionality, proceeding with GOA3 protocol modifications (ATP-CCS communication) and GOA4 shunting protocol design for the rolling stock depot, while the sleep/wake-up function is under development. The intelligent integrated dispatching system has completed the R&D of intelligent timetable generation and integrated dispatching-control functions, and is now undergoing prototype and field trials, with regional demonstration plans being coordinated with Chongqing Transportation Construction. Two group standards have been revised per review comments, and the system laboratory has passed construction acceptance. The first round of integrated testing has been completed; we are now sorting out outstanding items, refining subsystem functions, and preparing for third-party testing. Two group standards of the China Communications and Transportation Association have been posted for public comment. The national science and technology interface requirements have been incorporated into the tender specification for the Guangdong–East Guangdong intercity railway, and we are assisting in advancing the procedures for the demonstration project.	This project involves the development of integrated onboard ATP/ATO equipment, compatible train safety control centre equipment, as well as research on multi-mode interoperable train control system solutions and on-site testing and verification, to meet the various application needs of urban railways.	This project aims to research an urban train control system based on the CTCS technical framework. The system will be built on the foundation of moving block technology, with network communication as the backbone, and will focus on lightweight, intelligent, and green equipment. The goal is to develop an urban train control system solution that supports multi-mode interoperability between CBTC and CTCS systems, meeting the requirements of urban railways for commuter service, high speed, multi-mode operation, flexible train formation, high density, and bus-like service.	Urban (suburban) railway train control systems
15	The satellite-based train control system solution and key technology research	1,420.00	94.29	1,446.87	The overall technical solution and technical specifications for the satellite-based train control system, as well as a prototype of the train-ground communication system based on the satellite-based architecture have been completed.	The project aims to research the key technologies for a satellite-based train control system that is low cost, easy to maintain, and quick to deploy and develop a prototype of the communication equipment.	Focusing on the global technological frontier, the Company aims to seize the direction of satellitebased positioning and communication, reduce the complexity of train control systems, minimize on-site maintenance, and lower construction costs. This approach will significantly improve transportation efficiency without relying on a large amount of ground infrastructure.	Low-density lines in central and western regions, and local railways

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
16	Research on a two-level train control system based on trackside digital intelligence	4,400.00	355.26	2,914.95	Commissioning of the Tanggongta loading station has been completed; production of equipment for the two-level train control center at Xianggang Steel's Jinhang Port Station has been carried out. In coordination with the urban rail transit company, we have conducted research on the safety cloud hot-standby solution for Nanjing Metro Line 2 to support the deployment of two-level train control in urban rail. On-site tests of the digital switch machine for Beijing Metro have been completed, and high-low temperature HALT tests have been performed on signal modules, AC switch machines, and track circuit modules. Project approval from China Railway Group has been secured; annual research activities have been organized with various railway bureaus and manufacturers; and we are advancing the project closure procedures with the National Railway Administration.	The project intends to develop a "trackside-centre" collaborative train control system and equipment based on trackside digitalisation and centralised logic deployment. The two-level architecture urban rail train control system has been applied on-site in the Dujiangyan-Siguniangshan mountain rail transit project. The two-level architecture interlocking system and trackside equipment have been applied on-site in local railways.	The development of a new generation of train control system architecture fully promotes the functional innovation and efficient collaboration of the train control system, significantly improving operation and maintenance quality and efficiency, and breaking through the traditional development model of train control systems.	It can be used in the new construction and renovation for national mainline railways and subways
17	Research on the Comprehensive Intelligent System CIPS2.0 for Marshalling Yards	2,316.00	546.87	1,868.02	On-site testing application has been completed, and further application expansion is currently underway.	The project is designated to create an intelligent marshalling yard to achieve intelligent phase plan preparation, automatic generation of decision-making indicators, full-area signal control of the station area, automatic uncoupling at the hump peak, precise control of hump shunting, automatic driving of shunting locomotives, and intelligent drone inspection.	Research has been conducted on existing marshalling yard systems to achieve intelligent indoor operations and mechanised outdoor operations, which are at the leading level domestically.	It can be used for railway marshalling yards and sections with automated hump yards

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
18	Satellite-based Mobile Block Train Control System	9,877.48	1,107.48	8,696.61	The satellite-based mobile block train control system has entered the international market, securing a commercial contract for the signal and train operation control system for the Morebaya Simandou Railway in Guinea. Based on version V1.1.0.0, it has passed the dynamic acceptance test for the Guinea Masi project, with functions such as virtual coupling and automatic operation successfully realized. Laboratory testing has been completed, and on-site train testing is currently underway on the Huangwan Railway of the China Energy Group Holding Limited.	The project aims to tailor a safe, efficient, and cost effective mobile block signal system solution for freight railways. It utilizes a complete autonomous platform with essential features like moving block signaling, virtual formation, and autonomous driving.	By leveraging advanced technologies such as multi-source fusion for autonomous train positioning, fully electronic target control, SIL4 train integrity checks, heavy-load control, vehicle-to-vehicle communication, and autonomous driving, it significantly enhances the efficiency and safety of freight railway transportation, achieving an internationally leading technological standard..	It can be applied to freight railways
19	"Xihe" digital urban rail solution	7,208.07	748.94	6,681.65	The official release of Digital Urban Rail Solution V1.1.0 has been completed, along with full-function laboratory validation. We have successfully secured contracts for two major projects on Xiamen Line 6's Jimei – Tong'an section – covering the segments from Huaqiao University Station to Binhai Xidadao Station and from Jiageng Sports Center Station to Tongxiang Gaoxincheng Station – thereby enabling the deployment of intelligent dispatching, intelligent O&M, intelligent operation control, and intelligent depot functions.	Focused on enhancing operational safety and resilience, based on independently developed open rail transit digital foundations and scalable signaling professional models, two major platforms for intelligent operation control and intelligent maintenance have been constructed, integrating a range of intelligent application products to drive the industry's digitization and intelligent transformation.	Leveraging the open rail transit digital foundations, the core platforms of intelligent operation control and intelligent maintenance have been established, forming the "smart brain" and "health steward" to safeguard train operations. Through the deep integration of advanced technologies such as multi-source ubiquitous perception, reliable artificial intelligence, big data, and the Internet of Things, innovative and optimized allocation of production elements in various stages of train operations and maintenance is achieved. Characterized by innovation, high technology, safety, efficiency, sustainability, this solution significantly reduces labor and management costs while providing passengers with more efficient, safer, and reliable travel services.	It can be applied to urban rail transit

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
20	R&D and application of signal system equipment for the Hungarian section of the Hungary-Serbia railway	6,000.00	320.17	5,078.44	The full suite of signaling system equipment for Hungary has been developed. DeBo certification has been secured for the level crossing control system and LED signal products, along with additional certifications for interlocking, CTC, and balises. Functional acceptance for interlocking, level crossings, and CTC on the Hungarian project has also been completed.	The adaptation development for the Hungarian computer interlocking system, the wireless block centre, and the level crossing control system has been completed. The on-site laboratory has been set up, and full support has been provided to ensure the success of the Hungary section of the Hungary Serbia Railway project.	This marks the first time that Chinese railway signal products have entered the EU market on a large scale and systematically, fully demonstrating their role as a model and laying the foundation for expanding into other EU countries. The products are at an internationally advanced level.	It can be used at overseas market
21	Research on Overhaul Technical Solutions and Equipment Upgrades for High-Speed Railway Signal Systems	1,130.00	115.31	648.47	Completed the development of a conversion adapter compatible with existing relay interface circuits; completed the development of an automatic conversion tool for product data configuration files and submitted the test request form; other progress includes: optimizing and improving key technical solutions for engineering design and system integration; completed the developing and release of a prototype for a comprehensive digital platform; and completed the release of indoor integrated design software for high-speed rail interlocking and train control center equipment.	Aiming at the overhaul and upgrade market for high-speed railway signal systems, this research focuses on developing a Prognostics and Health Management (PHM) assessment standard system for key equipment, performance enhancement technologies for signal systems, a comprehensive digital platform for high-speed railway signal equipment, indoor integrated digital design technologies for interlocking and train control center equipment, and "seamless major overhaul" system integration technology. The goal is to achieve safe, efficient, fast, easy-to-implement, and comprehensive technical upgrades in high-speed railway renovation and reconstruction, thereby promoting the high-quality development of high-speed railways.	As a technological leader in the field of railway signaling, we are responsible for the formulation of high-speed railway signal system standards, engineering design, product development, and system integration. This enables us to take a holistic approach not only at the design and product levels but also to propose requirements from a system-wide perspective, ensuring that the needs are comprehensive, accurate, and forward-looking. Our capabilities remain at the forefront of technology in China.	Focusing on the overhaul and modernization market of high-speed railway signal systems

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
22	Research on Key Technology for Train-network-ground Monitoring and Diagnostics in High-speed Railway Train Control Systems	500.00	–	380.96	1. Completed research on onboard fault analysis technology, and conducted functional optimization research and prototype testing of the onboard Aelog analysis. 2. Completed research on GSM-R network No.7 signaling interface data monitoring technology, and carried out the development and prototype testing of E/G and L interface monitoring functions. 3. Completed research on the underlying RBC train-to-ground communication protocol and high-speed data acquisition technology, and developed and tested the prototype for E1 channel low-level data monitoring functionality.	Conduct research on comprehensive monitoring and integrated diagnostic technologies for high-speed railway train control systems, aiming to further optimize the monitoring scope and depth of the train-network-ground control system. The goal is to integrate fault diagnosis, safety verification, and remote maintenance.	Optimize and enhance the intelligent integrated diagnostic capabilities for faults on the onboard, network, and ground sides, improving fault location accuracy, reducing fault impact duration, and further advancing the automation and intelligence of train control system operation and maintenance. The technology has reached a leading level domestically.	National Railway Market
23	Research on Key Operation Control Technologies and Equipment Development for Superconducting High-Speed Maglev Transportation – Superconducting High-Speed Maglev	2,000.00	191.00	1,500.95	The overall technical plan for the high-temperature superconducting maglev operation control system has been finalized, system requirements have been drawn up, and a prototype has been developed. Commissioning and testing have also been completed on the CRRC Changchun test line.	A 600 km/h superconducting high-speed maglev transportation system solution has been developed, and prototypes of the onboard operation control system, zonal operation control system, central operation control system, as well as positioning and speed measurement systems for high-temperature superconducting maglev have been completed. Installation, commissioning, and field testing have been carried out on the CRRC Changchun test line.	Promote the comprehensive development of the 600 km/h superconducting high-speed maglev transportation industry chain. Through the transformation and application of technological achievements, drive industrial upgrading and enhance overall technology maturity, laying a solid foundation for larger-scale testing, validation, and future commercial deployment.	It can be used at new-type Rail Transit Market

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
24	Development and Field Testing of 5G-R Equipment Adapted for Train Control and Related Devices	2,434.38	270.25	1,691.34	Testing of commercial terminals and public-private converged base stations has been completed per the test plan. The preliminary running test of the 5G flat shunting product at Qilu Petrochemical has been successfully concluded, enabling its deployment, and project-preparatory research and scheme design are underway. We are also pushing forward the first-piece approval and commercialization of 5G base stations and 5G terminal products.	Overcame technical challenges such as dual-mode dual-channel redundant train-to-ground communication, cross-network dynamic matching of onboard mobile addresses, and dual-active switching of train control interface units. Developed 5G-R adapted train control onboard equipment (ATP) and ground equipment (RBC), enabling high-speed trains to operate seamlessly across GSI-R and 5G-R networks. This significantly enhances the reliability of train-to-ground communication in train control systems and promotes the entry of high-speed railway control systems into the 5G era.	Developed train control onboard equipment (ATP) and ground equipment adapted to 5G-R; gained a deeper understanding of the overall 5G-R architecture and operational requirements, and developed a 5G-R network interface monitoring system. The technology has reached an advanced domestic level.	Designed for 5G-R Railway Line
25	Research on urban railway signal systems based on integration of "the four networks" – trunk, intercity, suburban, and urban railways	16,301.75	1,513.87	11,028.40	Software development for all subsystems—including integrated dispatching, onboard, interlocking, and train control—has been completed. Field data preparation has been finalized, and indoor testing of the field data has been initiated. Additionally, loading of the system onto the first train in the field has been completed.	The urban railway signaling system solution based on integration of "the four networks" is intended to address issues arising from functional inconsistencies, non-uniform standards, and incompatible interfaces when connecting lines with different signaling systems. It aims to enable trains to operate seamlessly across different signaling standards on various lines, allowing passengers to reach their destinations directly without transferring.	After analyzing the differences and characteristics of CTCS2+ATO and CBTC systems, similar products from both standards were integrated, simplifying the system architecture and improving operational efficiency. Through the integration and modification of onboard and wayside signaling systems, innovative development was achieved in unified dispatching, onboard dual-standard seamless switching technology, and wayside collaborative control technology. This will enable the first domestic implementation and achieve an industry-leading level.	It can be applied in cross-mode operations of integration of "the four networks" in urban (suburban) railways

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
26	Research and application of an intelligent video core platform	1,406.00	414.79	1,175.21	Development of the smart video core platform, the video semantic extraction platform, the PHM system framework and functional prototype, the localized resource sharing system, and the smart interactive video system for railway intelligent application scenarios has been completed. The smart video core platform, the smart semantic extraction platform, and the self-developed smart interactive video system are currently undergoing trial use at the Wuhan and Urumqi railway bureaus.	By introducing emerging technologies such as information security, artificial intelligence, and large models, the video system will be restructured and upgraded to form a series of video business products, including the intelligent video core platform, intelligent video semantic extraction platform, full-business video PHM system, localized resource sharing system, and information innovation intelligent interactive video system. This is expected to drive the railway video system toward network flattening, business modularization, and fully intelligent interactive operation and maintenance, promote a comprehensive upgrade of video data security levels, and advance the overall intelligent and digital transformation of video business operations.	Relying on high-concurrency, low-latency streaming media processing technology, achieve efficient video resource access to support concurrent access by thousands of terminals, meeting the real-time retrieval needs of multiple railway departments. Build a standardized third-party AI integration framework that seamlessly connects large models and intelligent analysis systems through open protocol interfaces, enabling closed-loop interaction between video semantics and intelligent operations, and achieving an industry-leading level.	It can be applied in the field of rail transit
27	Research on the application of new technologies in key components of switch machines, and upgrades and replacements of complete units	1,867.48	88.07	1,044.51	Completed and obtained CRCC certification for the AC dual-motor parallel ZDJ9 switch machine. Technical exchanges with Eryuan and survey/design work for the Taiyuan–Zhongwei line renovation have been conducted, and the unit is now on trial at Suide Signaling Depot. Prototypes of the RV reducer and brushless DC motor integrated assembly have been built and tested, along with a prototype of the full-stroke switch detector system. The redundant contact group for the ZD(J)9 switch machine has been developed and is being trialed on Beijing Metro. The AC five-wire parallel circuit design for dual-machine traction turnouts using ZDJ9 has passed expert review. A prototype of the cycloidal pin-gear disc friction reducer has been validated by testing. Additionally, the switch health diagnosis platform software has been developed, functionally verified, and is now undergoing trial on the Tianjin Metro.	To accelerate the research on the application of new technologies in key components of switch machines and upgrades and replacements of complete units to develop new types of contact groups through optimization of materials, structures, and control circuits; to improve the reliability of key components and expand product application scenarios; and to promote the development of fault self-diagnosis, fault prediction, health management, and intelligent operation and maintenance capabilities for switch machines..	It can enhance the reliability of key components of switch machines and expand product application scenarios; It can extend the functionality of monitoring products for turnout conversion equipment, improve product market competitiveness, and achieve an advanced level within the industry.	It can be applied in the field of railways and rail transit

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
28	Research and equipment development of intelligent fault prediction and health management platform for railway signaling (IPHM)	3,500.00	631.86	745.72	Preliminarily built the Intelligent Fault Prediction and Health Management Platform for Railway Signaling (IPHM), completed its field application on the Beijing – Shanghai railway line, and refined its functions based on field performance.	Aiming at "managing assets, managing operations, and managing personnel," we are promoting the digital and intelligent transformation of railway signaling and communication maintenance. Based on basic equipment records, technical documentation, and site images, the platform automatically correlates equipment alarms, fault information, maintenance records, and monitoring data to achieve full lifecycle management of assets.	To comprehensively improve the efficiency and quality of railway operation and maintenance, reaching an industry-leading level.	It can be applied in the railways
29	Research and application demonstration of intelligent ship transportation organization and dispatching technology based on port-railway-waterway collaboration	5,000.00	507.85	3,100.70	The project has successfully passed the external expert acceptance and review meeting for project closure.	Focusing on digital resource exchange systems, transport resource forecasting, shipping planning and vessel dispatching, we have conducted theoretical and methodological research. We have developed a shipping data middle platform, a simulation system for operational situation prediction under port-railway-waterway coordination, a virtual operation system for coal shipping transportation, and a shipping cloud-brain platform.	To achieve logistics progress prediction, vessel operational efficiency prediction, intelligent ship-cargo matching, and smart recommendation of speed and routes, thereby further enhancing the intelligence level of shipping operations, with the technology reaching a domestically advanced level.	It can be applied in railway ports, shipping production operations, and dispatching command

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
30	Construction and application of large model for signaling specialization	1,710.42	794.34	1,294.34	We have released the large model platform, the secure code-assisted generation assistant, and automated white-box testing tools, and developed a prototype modular coding assistant. We have completed generic datasets covering railway signaling system standards and other documents, as well as specialized datasets for software testing and secure code generation. We have optimized model runtime platform performance, and released enhanced versions for code generation and intelligent white-box testing efficiency. We have built a large model evaluation platform and constructed multi-scenario industry evaluation datasets. The large model has been applied in both R&D and testing scenarios, with validation reports produced. We have also defined requirements for the intelligent testing assistant for conventional DMI, and deployed applications such as intelligent Q&A for track circuit maintenance and intelligent trackside vision assistance for signaling maintenance.	Based on general-purpose large models and deeply integrated with domain knowledge in railway signaling, we are building a large-model digital support platform covering the entire chain of "design – R&D – testing – manufacturing – integration & O&M" to meet the digital and intelligent development needs of railways.	To achieve practical deployment and validation of AI technology in railway signaling systems, driving intelligent upgrades to an industry-leading level.	It can be applied in railways

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
31	Key technology R&D of the "Guanheng" perception large model	3,342.08	199.09	866.42	We have completed lightweight development of the vision module, with pilot applications at multiple stations under the Kunming and Harbin railway bureaus. The image-text retrieval and Q&A modules have been developed and deployed at Kunming Station. We have also formulated a full-stack domestic adaptation plan and selected core hardware/software, with ongoing optimization of accuracy and speed. We have completed the first-round development of low-altitude inspection functions, implemented the algorithm verification for self-developed IT equipment at the Wuhan bureau, and developed vehicle detection functions for the urban rail transit company, with joint debugging and optimization in progress. In collaboration with the urban rail company, we are deploying and debugging the system in the Qingdao low-altitude inspection project. With a low-altitude company, we are optimizing vision module performance for foreign object intrusion and traffic sign pole detection. Together with a design institute, we have completed lightweight optimization of the running environment perception algorithm for shunting locomotives at Guangzhou Jiangcun marshalling yard, and are trialing the hardware online.	For smart cities and rail transit, we employ techniques such as model distillation, reinforcement learning, and algorithm fusion to build a high-performance vertical multimodal large model capable of high-sensitivity perception and in-depth reasoning for small, blurred, or occluded targets in video surveillance. We aim to deploy the model in smart inspection systems for railway stations, typical smart city scenarios, and railway/low-altitude inspection scenarios.	The vertical high-performance multimodal large model will support differentiated needs and practical applications in smart cities, rail transit, and low-altitude inspection, achieving an industry-leading technological level.	It can be applied in railways, smart cities, low-altitude inspection, and other scenarios.
32	Development and industrial application of train autonomous perception system	998.50	161.11	364.79	We have completed R&D and field testing of the train autonomous perception system and obtained SIL4 safety certification. As a backup system independent of the existing signaling system, it enables degraded train operation in the event of main system failure and provides active obstacle detection capability. It is currently undergoing engineering trials on the Hefei S1 line.	To achieve trackside obstacle perception and protection for rail transit, replacing traditional point-based functions to enable degraded operation under main system failure, and assisting safe train operation.	Using LiDAR-based obstacle detection devices, the system can detect preceding trains and identify key targets such as route signals in advance, providing active protection and intelligent assistance for rail transit safety, reaching an industry-leading level overall.	It can be applied in new and upgraded lines with CBTC, FAO, and other systems in urban rail transit.

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
33	R&D and demonstration application of monitoring, early warning, and operation control system for train slippage risk under adverse weather in rail transit	852.00	68.09	68.09	We have successfully won the "open bidding" project of the Beijing Municipal Science & Technology Commission, and have secured the first commercial order for wet-rail functionality on the Beijing Metro. We are actively acquiring and analyzing data in complex and severe environments, and advancing functional deepening, with trials underway in Beijing, Hefei, and other cities.	To develop a prototype of a train slippage risk monitoring and early warning system, a dynamic timetable adjustment system under wet-rail conditions, and a train control system for wet-rail operation. Through multi-system coordination, we aim to comprehensively improve the safety, stability, and operational efficiency of train operation under complex conditions such as wet rails.	It establishes an integrated technical architecture covering risk perception, dynamic dispatching, and intelligent control, enabling precise early warning of safety risks, real-time optimization of operational plans, and smart adaptation of train control strategies under complex wet-rail conditions, with overall technology reaching a domestically advanced level.	It can be applied in new and upgraded lines with CBTC, FAO, and other systems in urban rail transit.
34	Key technology research and complete equipment development for new generation train control system for conventional railways	8,937.72	1,044.42	1,044.42	Based on expert review comments in early May, we have formed draft submissions for 10 standard technical documents. We have conducted cross-testing and interoperability tests on equipment from CRSC, SIVO, Zhuzhou Institute, and CARS in two laboratory environments. We have completed the first-phase tests on the circular test track for conventional-rail wayside and onboard equipment. We have conducted briefings on the standard test line for the CTCS-1 train control system and commenced data and software compilation for the test line. We have also processed and reported comments on the CTCS-1 standards to various departments of China Railway Group.	Addressing the needs for improved safety and reduced manual intervention on conventional railways, the project conducts key technology research and develops complete equipment for the new generation train control system, aiming to achieve a safe, efficient, and scalable train control system for conventional railways, contributing to technological development and quality/efficiency improvement in China's conventional railway sector.	To resolve challenges such as large-scale data loading, heavy manual involvement, and low safety of temporary speed restrictions, reaching an industry-leading level overall.	Primarily targeting China's conventional railway market, initially focusing on technical upgrades of busy mainlines under China Railway Group (e.g., Beijing – Shanghai, Beijing – Guangzhou, Longhai conventional sections), and subsequently applying to new regional and local railways.

No	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
35	ETCS baseline 4 train control system equipment development	5,844.09	104.14	104.14	We have obtained TSI certificates for Baseline 4 LEU, balises, and RBC. The ATO wayside equipment has completed the first-phase software development and self-testing, with the first-phase certificate expected by mid-July. The first-phase development for KMC has been completed, and we have begun first-phase product development for ATP and ATO onboard equipment. The ATO onboard equipment and KMC are expected to receive their first-phase certificates by September.	Building on our existing Baseline 3 products, we are developing ATP, RBC, ATO onboard, ATO wayside, KMC, LEU, and balises compliant with CCS TSI ETCS B4R1, ATO B1R1, GSM-R B1MR1+FRMCS B0 series specifications, and will complete TSI certification for these products. We are also developing the RaSTA safety communication protocol compliant with the EULYNX standard and obtaining SIL4 certification. Based on the existing LEU, we are developing a current-sensing LEU that can send messages to balises directly based on signal driving current information. We are also conducting demand research, analysis, and preliminary solution studies for special engineering application scenarios in potential target markets in South America and Central/Eastern Europe.	To comprehensively upgrade and develop a full range of ETCS Baseline 4 products, and independently develop the RaSTA SIL4 safety communication protocol compliant with EULYNX, achieving an industry-leading level.	It can be primarily used in overseas railway lines.
36	Development and application of digital computer interlocking equipment	3,091.87	1,234.63	1,234.63	We have completed R&D and safety certification of digital computer interlocking. We have passed the scheme review and test review organized by the Infrastructure and Signaling Department of China Railway Group, completed expert tests on the national railway circular test track, and passed the inspection tests and on-site audits for product safety certification and CRCC trial certification.	In response to China Railway Group's demand for digital, intelligent, simplified, and fully electronic computer interlocking, and under the unified organization of the Infrastructure and Signaling Department, we are developing digital computer interlocking equipment. After field trials on existing conventional railways and technical review, we will obtain the formal CRCC certificate, followed by scaled application on both conventional and high-speed railways under China Railway Group.	The equipment is capable of scaling from conventional to high-speed railway applications, reaching an industry-leading technological level.	It can be applied in conventional railways, high-speed railways, local railways, urban rail transit and other scenarios.
Total	/	242,052.96	26,291.05	189,914.57	/	/	/	/

Explanation: The Company serves all rail transit sectors—high-speed, conventional, local, heavy-haul, urban, suburban, maglev, tourist, and others—by analyzing their specific scenarios and requirements to drive market-oriented R&D. This has produced industry-leading technologies including automatic unmanned train operation, autonomous operation, regional passenger coordination, automated traffic command, safety computers, full-electronic interlocking, intelligent inspection and maintenance, simulation testing, switch operation, and electromagnetic protection. We have also developed a comprehensive portfolio of control systems and base equipment tailored to target scenarios, such as indigenous CTCS-3 and Beidou-based train control systems, conventional and heavy-haul high-density automatic operation systems, two-level trackside digital control, next-generation CTC, intelligent passenger analytics, video IoT and integrated surveillance, the "Xihe" digital urban rail solution, the Qiji TACS, TAPS, autonomous train control, full-electronic CBTC, light rail control, "four-network" suburban signaling, intelligent dispatching, I-PHM, switch diagnostics, integrated train control and interlocking, satellite-based moving-block systems, break monitoring, video AI cockpit and analytics platforms, security appliances, video cloud management, 3D station video, and array vision systems. These solutions are actively demonstrated and deployed both domestically and overseas, providing strong support for the Company's rapid market expansion in rail transit.

5. *Research and development personnel*

Unit: 0'000 Yuan Currency: RMB

Basic Information

	Amount for the current period	Amount for the corresponding period of last year
Number of research and development personnel in the Company (person)	5,037	4,927
Percentage of total research and development personnel in total personnel of the Company (%)	26.61	25.70
Total remuneration for research and development personnel	49,751.50	46,479.82
Average remuneration for research and development personnel	9.88	9.43

Educational background

Composition by education	**Number (person)**	**Percentage (%)**
Doctoral degree	121	2.40
Master's degree	2,294	45.54
Bachelor's degree	2,464	48.92
Junior college diploma	158	3.14
Total	5,037	100

Age structure

Range of age	Number (person)	Percentage (%)
Below 30 (excluding 30)	928	18.42
30 to 40 (including 30 but excluding 40)	2,431	48.26
40 to 50	1,366	27.12
50-60 (including 50 but excluding 60)	303	6.02
60 and above	9	0.18
Total	5,037	100

6. Other explanations

☐ Applicable ☑ Not Applicable

IV. RISK FACTORS

☑ Applicable ☐ Not Applicable

1. Core competitiveness risk

The rail transit control system industry in which the Company operates remains in a healthy stage of development. New-generation information technology is gradually converging with traditional control systems. Emerging technologies and new demand generated by the railway and urban rail transit sectors may require the Company to upgrade or replace its principal system equipment, placing new and more exacting demands on its technological innovation. Slow progress in research into new technologies could delay the development of next-generation system products and hinder the Company's efforts to consolidate its leading position in innovation.

Response measures: Taking into account the long-term development needs of the industry and the Company, the Company will identify key scientific and technological issues, target emerging technologies and focus on new industry demand. It will formulate key research projects, deploy strategic resources, coordinate innovation resources, strengthen the management of new-technology R&D projects and allocate sufficient resources to new-technology and new-product R&D projects to ensure that established R&D tasks are completed. The Company will also strengthen coordination between technological R&D and market development, promote the commercialisation of scientific and technological achievements, target markets more precisely, respond more quickly to customers' specific needs and adjust its R&D strategies in a timely manner, thereby maintaining its leading position in technological innovation and supporting its sustained, healthy and high-quality development.

2. Operational risk

First, affected by factors including slower macroeconomic growth, the construction of new urban rail transit lines in China has tightened and market competition has intensified. Second, the international political and economic environment is becoming increasingly complex. Political instability in certain countries and regions in which overseas target projects are located, together with intensifying competition in the global rail transit industry, has made overseas market expansion more difficult. Third, given the nature of the industries in which the Company operates, the design, R&D, manufacturing, installation, testing, maintenance or sale of its products or services may expose it to compensation liabilities or government penalties.

Response measures: First, the Company will strengthen technological innovation, promote the digital transformation of traditional industries, implement industrial foundation reconstruction projects and major technological equipment research programmes, enhance digital empowerment, and drive industrial upgrading and optimise its industrial layout. Second, it will continue to optimise the reliability, availability and safety of in-service equipment, improve its operating quality and enhance customer recognition and satisfaction. Third, it will identify opportunities in overseas markets, enhance the effectiveness and efficiency of international resource allocation, conduct in-depth research into individual country markets, strengthen preliminary project due diligence and risk assessment, and improve the risk management and operational capabilities of its overseas businesses.

3. Financial risk

Certain railway, urban rail transit and infrastructure projects undertaken by the Company involve long construction periods, large investments, slow settlement and delayed recovery. The settlement and recovery periods for certain contract assets or receivables may be prolonged, which could adversely affect cash flows from operating activities and profit for the period.

Response measures: The Company will strictly implement its guidelines on engineering project tendering and contracting, improve the quality of contracts secured and control project risks at source. It will proactively adopt a range of effective measures to resolve existing risks and accelerate the collection of receivables and recovery of funds through multiple initiatives. The Company will regularly analyse and dynamically monitor contract assets and receivables relating to key projects, make appropriate use of debt-resolution tools, strengthen incentives and constraints, and promote the recovery of amounts due through regular, checklist-based management.

4. Industry risk

First, urbanisation has entered a stable phase, entry thresholds for urban rail transit construction continue to rise, and the market is shifting from expansion in scale to a focus on quality. Second, construction of new railway lines continues to decline, while progress in the equipment renewal and renovation market has fallen short of expectations. Third, the transformation and upgrading of the low-altitude economy industry has yet to mature and take shape, and its results will take time to materialise.

Response measures: Guided by its strategy, the Company will consolidate and expand its full-industry-chain advantages in rail transit. Leveraging its leading foundational intelligent control technologies, it will actively develop four businesses—intelligent rail transit, intelligent low-altitude, smart cities and intelligent operations—while expanding into the intelligent terminal equipment industry. The Company will strengthen its technological capabilities, resource integration and market presence. By adopting a model of "self-sustaining growth + capital operations", it will deepen coordinated development across the upstream and downstream segments of the industrial chain and establish a diversified industrial portfolio with a rational structure, well-planned layout and efficient collaboration.

5. Macroeconomic environment risk

The global political and economic landscape is undergoing profound changes. Trade frictions are escalating, competition for technological leadership is intensifying worldwide, and industrial and supply chains are being restructured at an accelerated pace. A new round of technological revolution and industrial transformation, characterised by the convergence of new-generation information technology, new energy, new materials and biomedicine, is also accelerating. Although China's economy is showing structural optimisation and improvements in quality and efficiency, it continues to face numerous challenges, including insufficient effective demand, significant pressure on business operations, risks in key sectors, impediments to domestic circulation, and a marked increase in the complexity, severity and uncertainty of the macroeconomic environment.

Response measures: The Company will align itself with national strategic needs and global industrial transformation trends and sharpen its focus on its principal responsibilities and core businesses. With industrial transformation as its guiding principle, technological support at its core, market expansion as its priority and security safeguards as its foundation, the Company will fully advance the maturation of its four intelligent system businesses, strengthen and expand its intelligent terminal equipment industry, accelerate its overseas market and industrial deployment, actively participate in global market competition, and establish an integrated industrial ecosystem encompassing technological R&D, capital operations and industrial chain collaboration.

V. MAIN OPERATIONS DURING THE REPORTING PERIOD

In the first half of 2026, the Company thoroughly implemented the "two ensures, two strives" work deployment of the State-owned Assets Supervision and Administration Commission of the State Council and fully executed the "12415" development strategy. Focusing on enhancing core functions and strengthening core competitiveness, we strove to consolidate the foundation of the "first curve", accelerate the development of the "second curve" as a new growth engine, and coordinate the improvement of the "five values", thereby continuously reinforcing the cornerstone of high-quality development. The Company recorded operating revenue of RMB14.080 billion, a decrease of 3.98%, and net profit of RMB1,700 million, a decrease of 8.71%.

(I) Analysis of major businesses

1. Table of analysis of changes in relevant items in the income statement and cash flow statement

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Revenue	14,080,346,521.17	14,664,691,458.72	-3.98
Operating cost	9,918,049,701.22	10,446,705,876.05	-5.06
Selling expenses	338,957,247.88	332,206,725.67	2.03
Administrative expenses	981,452,940.21	961,292,923.17	2.10
Finance costs	46,661,163.39	-27,937,890.47	N/A
Research and development expenses	785,525,409.89	802,855,676.42	-2.16
Net cash flow from operating activities	-807,321,589.07	-4,405,436,307.68	N/A
Net cash flow from investing activities	-2,050,243,917.39	95,530,652.87	-2,246.16
Net cash flow from financing activities	-144,746,242.47	2,711,245,399.37	-105.34

The explanation on reasons for change in revenue: The revenue decreased by 3.98% as compared with the corresponding period of the previous year, mainly due to a decline in revenue from the equipment manufacturing, system delivery services, and general contracting business segments.

The explanation on reasons for change in operating cost: The operating cost decreased by 5.06% as compared with the corresponding period of the previous year, following the same trend as operating revenue.

The explanation on reasons for change in selling expenses: The selling expenses increased by 2.03% as compared with the same period of last year, primarily due to a slight increase in staff compensation.

The explanation on reasons for change in administrative expenses: The administrative expenses increased by 2.10% compared with last year, mainly due to a slight increase in staff compensation.

The explanation on reasons for change in finance costs: Finance costs for the current period amounted to RMB46.6612 million, an increase of RMB74.5991 million compared with the same period last year. This was primarily attributable to higher interest expenses and lower interest income.

The explanation on reasons for change in research and development expenses: The research and development expenses decreased by 2.16% as compared to last year, mainly due to a slight decrease in staff compensation.

The explanation on reasons for change in net cash flow from operating activities: The net cash flow from operating activities for the period increased significantly compared with the prior period. This was driven, on the one hand, by a substantial reduction in the net decrease of customer deposits and interbank deposits, and on the other hand, by a substantial reduction in cash paid for goods and services.

The explanation on reasons for change in net cash flow from investing activities: The net cash flow from investing activities for the period decreased significantly compared with the prior period, primarily because time deposits with maturities of more than three months that were not pledged, mortgaged, or restricted increased substantially, thereby reducing investing cash flows.

The explanation on reasons for change in net cash flow from financing activities: The net cash flow from financing activities for the period decreased significantly compared with the prior period, mainly due to a substantial reduction in cash received from borrowings.

2. ***Particulars of material changes in business type, profit composition or source of the Company in the current period***

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Main Businesses by Industry

By segment	Operating revenue	Operating cost	Gross profit margin (%)	Increase/ decrease in revenue as compared to the same period of last year (%)	Increase/ decrease in operating cost as compared to the same period of last year (%)	Increase/decrease in gross profit margin as compared to the same period of last year (%)
Rail transit control system	12,715,290,765.17	8,688,313,273.93	31.67	-3.56	-4.80	Increased by 0.89 percentage point
Equipment manufacturing	2,828,028,555.13	1,736,237,826.30	38.61	-11.03	-13.37	Increased by 1.66 percentage point
Design and integration	6,112,235,983.11	3,728,720,330.17	39.00	4.56	4.33	Increased by 0.14 percentage point
System implementation	3,775,026,226.93	3,223,355,117.46	14.61	-9.27	-9.15	Decreased by 0.12 percentage point
Construction contracting	1,242,552,006.24	1,171,419,252.43	5.72	-8.37	-8.06	Decreased by 0.33 percentage point
Others	122,503,749.76	58,317,174.86	52.40	-0.91	25.62	Decreased by 10.05 percentage point

Main Businesses by Terminal Market

By terminal market	Operating revenue	Operating cost	Gross profit margin (%)	Increase/ decrease in revenue as compared to the same period of last year (%)	Increase/ decrease in operating cost as compared to the same period of last year (%)	Increase/decrease in gross profit margin as compared to the same period of last year (%)
Railway	8,553,574,761.16	5,896,475,807.53	31.06	2.75	3.13	Decreased by 0.26 percentage point
Urban transit	3,334,757,979.31	2,174,384,117.61	34.80	-14.85	-18.40	Increased by 2.85 percentage point
Overseas businesses	826,958,024.70	617,453,348.79	25.33	-12.44	-16.99	Increased by 4.09 percentage point
Construction contracting	1,242,552,006.24	1,171,419,252.43	5.72	-8.37	-8.06	Decreased by 0.33 percentage point
Others	122,503,749.76	58,317,174.86	52.40	-0.91	25.62	Decreased by 10.05 percentage point

Main Businesses by Region

By region	Operating revenue	Operating cost	Gross profit margin (%)	Increase/ decrease in revenue as compared to the same period of last year (%)	Increase/ decrease in operating cost as compared to the same period of last year (%)	Increase/decrease in gross profit margin as compared to the same period of last year (%)
China	13,253,388,496.47	9,300,596,352.43	29.82	-3.40	-4.15	Increased by 0.54 percentage point
Other countries and regions	826,958,024.70	617,453,348.79	25.33	-12.44	-16.99	Increased by 4.09 percentage point

By industry and terminal market:

Revenue from the equipment manufacturing segment and the system implementation segment decreased by 11.03% and 9.27%, respectively, primarily due to the timing of product deliveries and structural differences in the construction progress of various projects. Revenue from the design and integration segment remained relatively stable. Revenue from the construction contracting business decreased by 8.37% year on year, mainly as a result of the Company's continued and prudent exit from municipal construction contracting business.

Revenue from the urban rail market decreased by 14.85% year on year, as a number of projects that were at peak construction in the prior period have gradually entered their final stages in the current period, leading to a corresponding reduction in recognisable revenue. Revenue from the railway market increased by 2.75% year on year, maintaining a steady overall performance.

By region:

During the current period, overseas business revenue decreased by 12.44% compared with the same period last year, mainly due to the higher revenues generated as the Guinea Masi Railway project was at its peak construction stage in the last year. The gross profit margin of overseas business increased by 4.09 percentage points year on year, primarily because the profitability of overseas projects under execution in the current period was better than that in the same period last year.

(II) Explanation on material changes in profit due to non-main businesses

☐ Applicable ☑ Not Applicable

(III) Analysis of assets and liabilities

☑ Applicable ☐ Not Applicable

1. *Assets-Liabilities analysis table*

Unit: Yuan Currency: RMB

Item	Amount at the end of the current period	Percentage of amount at the end of the current period to the total assets (%)	Amount at the end of last year	Percentage of amount at the end of last year to the total assets (%)	Change of the amount at the end of the current period as compared to that of last year (%)
Cash and bank balances	21,130,475,293.38	18.02	22,386,114,359.53	18.92	-5.61
Bills receivable	796,447,785.34	0.68	1,464,349,227.45	1.24	-45.61
Accounts receivable	23,812,824,753.03	20.31	25,001,461,400.76	21.13	-4.75
Contract assets	34,484,391,075.56	29.41	32,848,758,789.78	27.76	4.98
Development expenditure	437,247,369.74	0.37	307,502,933.27	0.26	42.19
Long-term prepaid expenses	16,549,019.80	0.01	26,633,710.67	0.02	-37.86
Short-term borrowings	40,937,050.75	0.03	170,476,451.50	0.14	-75.99
Bills payable	1,140,348,221.11	0.97	1,691,264,511.61	1.43	-32.57
Accounts payable	37,788,053,360.58	32.22	39,220,108,544.27	33.15	-3.65
Customers deposits and deposits from banks and other financial institutions	673,760,677.58	0.57	1,035,278,439.21	0.87	-34.92
Tax payable	681,100,160.99	0.58	1,181,460,870.29	1.00	-42.35
Other payables	3,601,545,729.52	3.07	2,199,881,519.41	1.86	63.72
Long-term borrowings	7,551,873,923.00	6.44	7,515,803,923.00	6.35	0.48

Other explanation

The decrease in cash and bank balances was mainly due to negative net cash flows from operating activities.

The decrease in bills receivable was mainly due to the decrease in the receipt of bank acceptance bills and commercial acceptance bills.

The decrease in accounts receivable was mainly due to the fact that collections from sales in the current period were strong, with collected amounts exceeding newly generated receivables.

The increase in contract assets was mainly due to the fact that customers have not yet certified and settled the work performed.

The increase in development expenditure was mainly due to the fact that the Company focused on dual business tracks of "rail transit + low-altitude economy", leading to the increase in R&D investment in projects.

The decrease in long-term prepaid expenses were mainly due to the decline in expenditure on renovation and refurbishment in the current period.

The decrease in short-term borrowings was mainly due to the decrease in both credit loans and pledged loans during the period. Credit loans were repaid at maturity, while pledged loans represent liabilities arising from continuing involvement due to the discounting of notes before maturity, and the amount of notes discounted before maturity also decreased in the current period.

The decrease in bills payable was mainly due to the significant decrease in the amount of bank acceptance bills issued in the current period.

The decrease in accounts payable was mainly due to the fact that the Company actively paid off amounts due to suppliers.

The decrease in customers deposits and deposits from banks and other financial institutions was mainly due to the decrease in deposits placed with the finance company by related member entities under the same ultimate controlling party.

The decrease in tax payable was mainly due to the decrease in value-added tax, corporate income tax, and individual income tax compared with the end of the prior period.

The increase in other payables was mainly due to the increase in dividends payable.

The increase in long-term borrowings was mainly due to the increase in new external borrowings.

2. *Information of overseas assets*

☐ Applicable ☑ Not Applicable

3. *Major assets subject to restriction by the end of the Reporting Period*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing book value
Monetary funds	510,984,434.60
Bills receivable	244,677,408.55
Accounts receivable	712,915,829.01
Long-term receivables	228,850,000.00
Intangible assets	82,884,231.15
Other non-current assets	4,776,584,400.65
Construction in progress	424,471,086.49
In total	6,981,367,390.45

4. *Other explanation*

☐ Applicable ☑ Not Applicable

(IV) Analysis of investment

1. *Overall analysis of investment in external equities*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Investment amount during the Reporting Period (Yuan)	Investment amount in corresponding period in last year (Yuan)	Change
2,220,937,207.57	2,016,644,613.14	10.13%

(1). Material equity investment

☐ Applicable ☑ Not Applicable

(2). Material non-equity investment

☐ Applicable ☑ Not Applicable

(3). *Financial assets measured at fair value*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Assets category	Opening balance	Gain/loss on fair value changes for the period	Accumulated changes in fair value recognized in equity	Impairment accrued for the period	Amount purchased for the period	Amount sold/ redeemed for the period	Other changes	Closing balance
Other equity instrument investments	1,397,735,606.02	–	–	–	71,911,836.31	–	–	1,469,647,442.33
Total	1,397,735,606.02	–	–	–	71,911,836.31	–	–	1,469,647,442.33

Securities investment

☐ Applicable ☑ Not Applicable

Derivatives investment

☐ Applicable ☑ Not Applicable

(4). *Private equity fund investment*

☐ Applicable ☑ Not Applicable

(V) Disposal of significant assets and equity interest

☐ Applicable ☑ Not Applicable

(VI) Analysis of major companies controlled and invested by the Company

☑ Applicable ☐ Not Applicable

Information on major subsidiaries and invested companies impacting on 10% or more to the Company's net profit

☑ Applicable ☐ Not Applicable

Unit: 0'000 Yuan Currency: RMB

Name of company	Type of company	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Beijing CRSC Research & Design Institute Group Co., Ltd.	Subsidiary	Design and integration	201,000.00	1,627,586.07	868,257.47	301,300.25	92,006.17	80,457.50
CRSC (Xi' an) Rail Industry Group Co., Ltd.	Subsidiary	Equipment manufacturing	214,865.76	575,041.74	305,042.46	80,100.35	40,086.58	37,483.49
CASCO Signal Co., Ltd.	Subsidiary	Design and integration	60,000.00	973,025.88	321,376.22	328,631.55	57,967.52	49,052.13

Acquisitions and disposals of subsidiaries during the Reporting Period

☐ Applicable ☑ Not Applicable

Other explanations

☐ Applicable ☑ Not Applicable

(VII) Status of the structured entity controlled by the Company

☐ Applicable ☑ Not Applicable

VI OTHER DISCLOSURES

☑ Applicable ☐ Not Applicable

1. Use of proceeds raised from H shares:

The proceeds raised from H shares amounted to approximately RMB9,104 million, and so far the total amount has been fully used. Among them, RMB2,731 million was used in long-term research and development, including the construction of the CRSC Railway Transportation Research Center and technology research projects; RMB1,821 million was used in the fixed asset investments, including the technical overhaul of CRSC Xi'xin production base, the Company's subsidiary, and Changsha Industrial Park; RMB108 million was used in general equity acquisition; RMB1,253 million was used in investment of Tianshui Tramcar project and other PPP projects related to railway transportation; and RMB2,623 million was used to replenish working capital (On 12 June 2020 and 21 November 2025, the Company convened the general meetings and considered and approved the change of the portion of the proceeds of RMB1,713 million allocated for general domestic and overseas acquisition to general domestic and overseas purposes, and the change of the use of the raised funds originally intended for investment in rail-related PPP projects, in the amount of RMB568 million, to general domestic and overseas purposes (replenishing working capital)). As at 31 December 2025, the Company had RMB568 million of the proceeds raised from H shares remaining unutilised. As at 30 June 2026, RMB568 million of the H share proceeds remained unused, and such funds together with the interest accrued thereon were fully utilised on 31 July 2026, entirely for dividend payments. The aforesaid utilisation of proceeds is consistent with the use of proceeds as disclosed in the prospectus, the Company's circular dated 15 May 2020, and the Company's circular dated 5 November 2025.

2. Employees

As of 30 June 2026, the Company had a total of 18,927 full-time employees, of which 119 were employed by the parent company and 18,808 by its major subsidiaries. The Company has established a comprehensive performance evaluation system, linking the annual operational targets with the performance evaluation of all departments and employees. The Company attaches great importance to corporate culture construction and focuses on improving the overall employee quality by proactively implementing a comprehensive staff training initiative by levels and layers. The Company, based on different position categories, has established a performance-and-capability-oriented employee remuneration system and has effectively safeguarded the capability to recruit, retain and incentivize talents. During the Reporting Period, the Company's remuneration policy and training plan remained unchanged. For related information, please refer to Section V, "XII. EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD" in the 2025 Annual Report of the Company.

SECTION IV CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

I. CHANGES IN DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICIANS OF THE COMPANY

☑ Applicable ☐ Not Applicable

Name	Position held	Information on the change	Reasons for the change	Explanation
DONG Baoliang	Executive Director	Election	–	–
	President	Appointment	–	–
ZHANG Xiaolin	Vice President	Appointment	–	–

Explanation on changes in directors, senior management and core technicians of the Company

☑ Applicable ☐ Not Applicable

On 17 August 2026, after being considered and approved at the 41st meeting of the fourth session of the Board of Directors, the Board of Directors of the Company agreed to nominate Mr. LOU Qiliang, Mr. DONG Baoliang and Mr. DING Shaobin as candidates for non-independent Directors of the fifth session of the Board of Directors, among whom, Mr. LOU Qiliang and Mr. DONG Baoliang were candidates for executive Directors and Mr. DING Shaobin was candidate for non-executive Director; and agreed to nominate Mr. YAO Cho Fai Andrew, Mr. Fu Junyuan and Mr. ZHAN Kai as candidates for independent non-executive Directors of the fifth session of the Board of Directors. Among them, Mr. FU Junyuan is an accounting professional. The election matters are still required to be submitted to the shareholders' meeting of the Company for consideration. The Directors of the fifth session of the Board of Directors shall take office from the date of approval by the shareholders' meeting of the Company, with a term of three years. In order to ensure the normal operation of the Board of Directors, before the shareholders' meeting of the Company approves the above election matters, the fourth session of the Board of Directors shall continue to perform its duties in accordance with the relevant provisions such as the Company Law and the Articles of Association of the Company.

Explanation on recognition of core technicians of the Company

☑ Applicable ☐ Not Applicable

Core technicians of the Company are comprehensively recognized based on their professional capabilities, research results, leadership in the implementation of significant projects, working background, education background and other factors. During the Reporting Period, the Company has no core technicians to be recognized but not recognized.

II. PROFIT DISTRIBUTION PLAN OR RESERVES-TO-EQUITY TRANSFER PLAN

Interim proposed profit distribution plan or reserve-to-equity transfer plan

Whether to distribute or transfer	No
Bonus shares for every 10 shares (shares)	–
Dividends distributed per 10 shares (yuan) (tax inclusive)	–
New shares for every 10 shares (shares)	–

Explanation of profit distribution plan or reserves-to-equity transfer plan **–**

Nil.

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

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

☐ Applicable ☑ Not Applicable

(II) Incentives not disclosed in the temporary announcements or with subsequent progress

Share incentives

☐ Applicable ☑ Not Applicable

Other explanations

☐ Applicable ☑ Not Applicable

Employee stock ownership plan

☐ Applicable ☑ Not Applicable

Other incentive measures

☐ Applicable ☑ Not Applicable

IV. THE ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE LIST FOR ENVIRONMENTAL INFORMATION DISCLOSURE BASED ON LAW

☑ Applicable ☐ Not Applicable

The number of enterprises included in the list for environmental information disclosure according to law (unit)	2

No.	Name	Index for environmental information disclosure report based on law
1	Chengdu Railway Communication Equipment Co., Ltd.	Environmental Credit China (221.10.90.154：8090) Enterprise environmental information disclosure system based on law (Sichuan Province) (http://103.203.219.138:8082/eps/index/enterprise-search)
2	Beijing Railway Signal Co., Ltd.	Enterprise environmental information disclosure system based on law (Beijing) (https://hjxxpl.bevoice.com.cn:8002/home)

Other explanations

☐ Applicable ☑ Not Applicable

V. DETAILS ON CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF SHAKING OFF POVERTY AND RURAL REVITALIZATION

☑ Applicable ☐ Not Applicable

CRSC has received the highest rating of "Good" in the effectiveness assessment of fixed-point poverty alleviation assistance by central government entities for two consecutive years. First, the scale of consumption assistance reached a new high for the corresponding period. During the 2026 "Spring Action for Consumption Assistance by Central Enterprises", the Company directly purchased RMB0.92 million of agricultural products from assisted regions and facilitated sales of RMB6.78 million, setting a new record for the same period in previous years. Second, industrial assistance and talent cultivation were advanced in a coordinated manner. In the first half of 2026, the Company assisted in the establishment of 2 farmers' cooperatives and 3 rural assistance workshops; and provided training to 600 rural industry leaders and 835 agricultural technicians, driving the transformation of assistance efforts from "blood transfusion" to "blood generation". Third, the fixed-point assistance mechanism was further improved. The Company organised and held the 2026 Symposium on Fixed-Point Assistance Work, and, in accordance with the principle of "what the locality needs and what the enterprise is capable of", promoted the coordinated development of assistance projects with core businesses such as low-altitude economy and smart manufacturing. The annual assistance work plan was formulated, setting out the key thoughts for the rural revitalisation efforts for the whole year. Fourth, the deployment of industrial development in Xinjiang was pragmatically advanced. In implementing the work deployment of the SASAC on "industrial development in Xinjiang by central enterprises", the Group organised its subsidiaries to conduct multiple field trips and special research visits to Xinjiang. The relevant feasibility studies on the deployment of rail transit, low-altitude economy and other businesses in Xinjiang are being carried out in an orderly manner.

VI. IMPLEMENTATION OF THE QUALITY IMPROVEMENT, EFFICIENCY ENHANCEMENT AND HIGH RETURN ACTION PLAN

During the first half of 2026, the Company adhered to the working principle of maintaining stability as the top priority while pursuing progress on a stable footing, and overall production and operations remained steady. During the Reporting Period, the Company achieved operating revenue of RMB14.080 billion, representing a decrease of 3.98% compared with the same period of the previous year, of which: the railway sector contributed RMB8.554 billion, up 2.75% year on year; the urban rail sector contributed RMB3.335 billion, down 14.85% year on year; the overseas sector contributed RMB0.827 billion, down 12.44% year on year; and the general contracting and other sectors contributed RMB1.365 billion, down 7.75% year on year. For the first half of 2026, the aggregate value of newly signed contracts amounted to RMB17.715 billion, up 0.84% year on year, of which: the railway sector accounted for RMB10.505 billion, down 5.65% year on year; the urban rail sector accounted for RMB4.851 billion, up 28.52% year on year; the overseas sector accounted for RMB0.576 billion, down 69.27% year on year; the smart low altitude economy sector accounted for RMB0.171 billion, up 472.88% year on year; and the general contracting and other sectors accounted for RMB1.612 billion, up 113.71% year on year. During the Reporting Period, in the railway weak current system integration market, the Company secured key high speed railway projects such as the Miansui Nei Railway and the Zhangzhou Shantou (Guangdong Section), maintaining its leading market share. In the urban rail transit signal system integration market, the Company won bids for projects such as the Nanjing Metro Line 2 renovation, Jinan Metro Line 9, and Changsha Metro Line 6, securing the top market share. In the overseas market, the Company continued to deepen its overseas business network layout, focusing on enhancing the quality and efficiency of new project acquisition, and secured projects including the Bogotá Metro Line 1, the European onboard ETCS 2 system, and the Malaysia 3CS project. In the EPC and other markets, the Company accelerated its exit from municipal housing construction. The Company's newly signed contracts in municipal housing construction amounted to RMB0.56 billion, accounting for 3.16% of total new contracts. During the Reporting Period, the Company actively explored the domestic low altitude economy market and continuously improved its core product system and business scenarios. In the Qingdao project, the Company fully deployed the low altitude smart interconnected network system, the "One Network Unified Flight" platform, and infrastructure including communications, sensing, and counter measure systems. The Company developed an unmanned emergency communication coverage solution and conducted multiple rounds of field tests in Nanjing and Jiangyin. In the Phoenix Mountain area of Zhuhai, the Company carried out application scenarios for forest fire emergency prevention and control. For further details, please refer to "II. Discussion and Analysis on Business Operations" set out in Section III "Management Discussion and Analysis" of this report.

During the Reporting Period, the Board remained committed to deeply advancing the integration of strengthening the Party's leadership with improving corporate governance, whilst continuously refining corporate governance mechanisms characterised by statutory authority and accountability, transparency of powers and responsibilities, coordinated operations, and effective checks and balances. The members of the Company's Board are experienced, possess complementary expertise and represent a diverse structure; each special committee conducts in-depth and meticulous preliminary research on matters within its respective remit, thereby assisting the Board in enhancing decision-making efficiency and operational quality. In the first half of 2026, six Board meetings, six special committee meetings and three general meetings were held. At the general meeting, an online voting reminder service ("**One-Click Access**") was utilised to facilitate the participation of small and medium-sized investors in corporate governance and to encourage broad shareholder engagement. The voting participation rate among minority shareholders has increased, as evidenced by the voting results.

During the Reporting Period, the Company diversified the formats of its earnings briefings and actively expanded its influence in the capital markets. Mr. Dong Baoliang, deputy secretary of the Party Committee, executive Director and president of the Company, took part in the recording of the programme "`Dialogue on Growth' 2025 Annual and Q1 2026 Collective Results Briefing", jointly organised by the Shanghai Stock Exchange and Yicai. The programme premiered online at the Shanghai Stock Exchange's Roadshow Centre and on Yicai, and was broadcast on Yicai and Dragon TV and was covered by mainstream media outlets such as the Shanghai Securities News, China Securities Journal and Xinhua News Agency, achieving positive results in terms of communication. The Company actively participated in the media briefing marking the seventh anniversary of the STAR Market, granting interviews to reporters from the Economic Daily, China Securities Journal, Shanghai Securities News, Securities Times and the Financial Times, showcasing its development achievements and technological advancements in recent years, as well as its future prospects, thereby expanding its brand influence. Taking the convening of the general meeting as an opportunity, the Company proactively engaged in communication with investors. Representatives of certain institutional and retail investors attended the meeting, where Directors and senior executives exchanged views with shareholders face-to-face, actively listening to investors' views and addressing their concerns.

The Company will continue to evaluate the specific measures outlined in the Quality Improvement, Efficiency Enhancement and High Return Action Plan and fulfil its information disclosure obligations in a timely manner. The Company's plans, work programmes and related forecasts contained in this report constitute forward-looking statements that are not historical facts and do not constitute a commitment by the Company to investors; investors are advised to be aware of the associated risks.

VII. CORPORATE GOVERNANCE PRACTICES

The Company strives to maintain high levels of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability.

In order to ensure that the Company is able to fully perform its obligations under the Rules Governing the Listing of Securities ("**Listing Rules**") on the Hong Kong Stock Exchange, the Company has established an effective corporate governance structure and, from time to time, reviews and improves its internal control and corporate governance mechanism. The Company also operates in strict compliance with the Articles of Association of the Company, operating procedures for Board Committees, the Company Law and the requirements of relevant laws, regulations and regulatory documents, as well as the relevant rules and regulations of the Hong Kong Stock Exchange in relation to corporate information disclosure and investors' relations management and services.

During the Reporting Period, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

VIII. REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor its subsidiaries repurchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company under the Listing Rules.

As at the end of the Reporting Period, the Company and its subsidiaries did not hold any treasury shares.

IX. REVIEW OF THE INTERIM REPORT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

Members of the Audit and Risk Management Committee of the Company comprise of Mr. FU Junyuan (an independent non-executive Director, chairman of the committee), Mr. YAO Cho Fai Andrew (an independent non-executive Director) and Mr. YAO Guiqing (an independent non-executive Director).

The Audit and Risk Management Committee of the Company has reviewed the unaudited interim condensed consolidated financial statements, the interim results announcement and interim report of the Company for the six months ended 30 June 2026.

X. SUBSEQUENT EVENTS

Save as disclosed in this report, from 30 June 2026 to the date of this report, the Company had no other significant subsequent events.

I. PERFORMANCE OF UNDERTAKINGS

I. Undertakings during or carried forward to the Reporting Period by the Company's actual controller, shareholders, related parties, acquirers and the Company and other relevant parties providing undertakings

☑ Applicable ☐ Not Applicable

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
Undertakings associated with the initial public offering	Profit distribution	CRSC	CRSC has made the following undertakings in respect of profit distribution policies: The Company will distribute profits to shareholders in strict accordance with the profit distribution policies stipulated by relevant laws and regulations, the Articles of Association of China Railway Signal & Communication Corporation Limited, and Dividend Distribution Plan within the Three Years after the Initial Public Offering and Listing of A Shares of CRSC (2019–2021), and strictly implement the review procedures for the profit distribution plan. If the violation of the above undertakings causes losses to the investors, the Company shall be liable to the investors according to law.	Time of undertakings: 15 April 2019	No	Long-term effective	Yes	–	–

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
	Non-competition undertakings	CRSC Group	CRSC Group have made the following undertakings in respect of the non-competition undertakings: (1) As of the date of the issuance of letter of undertakings, CRSC Group and the holding enterprises of CRSC Group (excluding CRSC and its holding enterprises, same hereinafter) have not engaged in or participated in the businesses or activities that constitute or may constitute a direct or indirect competitive relationship with the principal business currently engaged in by CRSC and its holding enterprises in any form domestically or abroad. (2) CRSC Group and its holding enterprises do not, currently or in the future, solely or jointly with others, directly or indirectly, in any form (including but not limited to investment, merger and acquisition, associates, joint ventures, cooperation, partnership, contracting or leasing operation, purchase of shares of listed companies or equity participation) domestically or abroad engage in or participate in, or assist to engage in or participate in any businesses or activities which compete or is likely to compete with the principal business engaged currently or in the future by CRSC and its holding enterprises. (3) If CRSC Group or its holding enterprises find any new business opportunities which directly or indirectly compete or is likely to compete with the principal business of CRSC and its holding enterprises, they will immediately notify CRSC in writing and try their best to procure that these business opportunities are first provided to CRSC and its holding enterprises on reasonable and fair terms and conditions.	Time of undertakings: 15 April 2019	Yes	Term: The letter of undertakings takes effect from the date of issuance, and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the suspension of trading of CRSC's stock for any reason).	Yes	–	–

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
			(4) If CRSC and its holding enterprises waive the above new business opportunities and CRSC Group or its holding enterprises engage in these competitive businesses, CRSC and its holding enterprises have the right to acquire any equity, assets and other interests in the abovementioned competitive business from CRSC Group or its holding enterprises at one or multiple times at any time, or choose to entrust operation, lease or contract to operate the assets or business of the above-mentioned competitive business in accordance with the PRC laws and regulations. (5) If CRSC Group or its holding enterprises intend(s) to transfer, sell, lease, licence or otherwise transfer or permit to use the asset and business which competes or is likely to compete, directly or indirectly, with the principal business of CRSC and its holding enterprises, CRSC Group and its holding enterprises will provide priority transfer rights to CRSC and its holding enterprises. (6) CRSC Group will indemnify CRSC and its holding enterprises against all actual losses, damages and expenses suffered/occurred for CRSC Group or its holding enterprises' breach of any terms in the letter of undertaking. (7) The letter of undertakings takes effect from the date of issuance, and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the temporary suspension of trading of CRSC's stock for any reason).						

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
	Related Party Transactions	CRSC	CRSC Group has made the following undertakings in respect of regulating Related Party Transactions: (1) CRSC Group and its holding enterprises (excluding CRSC and its holding enterprises, same hereinafter) will try their best to minimise the Related Party Transactions with CRSC and its holding enterprises. (2) For the Related Party Transactions related with operating activities of CRSC that are not avoidable, CRSC Group and its holding enterprises will perform the decision-making procedures of Related Party Transactions to ensure fair pricing and timely fulfil information disclosure obligations in strict compliance with the relevant laws and regulations and regulatory documents as well as the relevant requirements in CRSC's internal system related with Related Party Transactions. (3) CRSC Group will not take advantage of its position as a controlling shareholder to seek any favourable conditions or benefits over independent third parties for CRSC Group and its holding enterprises from CRSC and its holding enterprises in business operation and other business. (4) CRSC Group will indemnify CRSC and its holding enterprises against all actual losses, damages and expenses suffered/ incurred for CRSC Group and its holding enterprises' violation of abovementioned undertakings. (5) The above-mentioned undertakings remain effective when CRSC Group has the control right over CRSC and cannot be changed or cancelled.	Time of undertakings: 15 April 2019	Yes	Term: The letter of undertakings takes effect from the date of issuance, and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the suspension of trading of CRSC's stock for any reason).	Yes	–	–

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
	Other	CRSC	CRSC has made the following undertakings in respect of restraints on failure to comply with relevant public undertakings: (1) If the relevant undertakings made publicly by the Company in the prospectus have already contained the restraints, such restraints specified in those undertakings shall prevail; if the Company breaches those undertakings, the Company agrees to adopt the restraints already specified in those undertakings. (2) If the Company fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled, its undertakings (except for the objective reasons beyond the control of the Company such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), the Company will take the following measures: 1) It shall publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to the Company and its shareholders to protect the rights and interests of the Company and its shareholders as much as possible.	Time of undertakings: 15 April 2019	No	Long-term effective	Yes	–	–

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
			3) If the public investors suffer losses due to their reliance on the undertakings of the Company in transactions, the Company will compensate them in the way and amount determined by the securities regulatory authorities or judicial authorities. (3) In the event that the Company fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled, its undertakings due to objective reasons beyond the control of the Company such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, the Company will take the following measures: 1) It shall publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to the Company and its shareholders to protect the rights and interests of the Company and its shareholders as much as possible.						

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
	Other	CRSC Group	CRSC Group has made the following undertakings in respect of restraints on failure to comply with relevant public undertakings: (1) CRSC Group will strictly implement the public undertakings made by CRSC Group in the prospectus for this issue and actively accept public supervision. (2) If CRSC Group fails to fulfil its undertakings, confirms that it is unable to perform or fails to perform as scheduled, its undertakings (except for the objective reasons beyond the control of the Group such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), CRSC Group will take the following measures: 1) It shall publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible. 3) In case of any gains (if any) due to the failure to perform the relevant undertakings, the gains shall be owned by CRSC.	Time of undertakings: 15 April 2019	No	Long-term effective	Yes	–	–

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
			4) If the public investors suffer losses due to their reliance on the undertakings of CRSC Group in transactions, CRSC Group will compensate them in the way and amount determined by the securities regulatory authorities or judicial authorities. (3) In the event that CRSC Group fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled its undertakings due to objective reasons beyond the control of CRSC Group such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, CRSC Group will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible.						

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
	Other	The Company's Directors, Supervisors and senior management	The Company's Directors, Supervisors and senior management have made the following undertakings in respect of restraints on failure to comply with relevant public undertakings: (1) I will strictly perform the public undertakings made in the prospectus for this issue and actively accept public supervision. (2) If I fail to perform my undertakings, confirm that I am unable to perform or fail to perform as scheduled, my undertakings (except for the objective reasons beyond my control such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), I will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible. 3) In case of any gains (if any) due to the failure to perform the relevant undertakings, the gains shall be owned by CRSC.	Time of undertakings: 15 April 2019	No	Long-term effective	Yes	–	–

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
			4) If the public investors suffer losses due to their reliance on my undertakings in transactions, I will compensate them in the way and amount determined by the securities regulatory authorities or judicial authorities; if I receive the salary from CRSC, I agree that CRSC can stop paying the salary to me and use it directly to perform my unfulfilled undertakings or to compensate for the loss caused to CRSC and its shareholders by my unfulfilled undertakings (3) In the event that I fail to perform my undertakings, confirm that I am unable to perform or fail to perform as scheduled, my undertakings due to objective reasons beyond my control such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, I will take the following measures: 1) I will publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible.						

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
Other undertakings	Non-competition undertakings	CRSC Group	On 20 July 2015, CRSC Group issued to us a letter of non-competition undertakings, which is effective in the Relevant Period (as defined in the H share prospectus). Pursuant to the letter of non-competition undertakings, CRSC Group has confirmed that, as at the date of the letter of non-competition undertakings, CRSC Group has not engaged in or participated in any form of business activities which, directly or indirectly, compete with the Company's principal businesses. For further details of the letter of non-competition undertakings, please refer to the H share prospectus of the Company.	Time of undertakings: 20 July 2015	Yes	Term: The letter of undertakings takes effect from the date of issuance, and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the suspension of trading of CRSC's stock for any reason).	Yes	–	–

Background of undertakings	Contents of undertaking	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
	Other	CRSC	The Company undertook to the Hong Kong Stock Exchange that the Company would not use the proceeds from the global offering, as well as any other funds raised through the Hong Kong Stock Exchange, to finance or assist any activities or business, directly or indirectly, (i) relating to or with the target of any sanction, or relating to, with, or in any countries subject to sanctions administered by the U. S., the E. U., Hong Kong, Australia or the U. N. authorities, or (ii) relating to CRSC International, one of the Company's subsidiaries, considering the amount of its annual revenue related to projects in Iran during the Track Record Period. In addition, the Company also undertook to the Hong Kong Stock Exchange that the Company would not undertake any sanctionable transactions that would expose the relevant persons or us to risk of being sanctioned.	Time of undertakings: 28 July 2015	No	Term: Long-term effective	Yes	–	–

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

☐ Applicable ☑ Not Applicable

III. ILLEGAL GUARANTEES

☐ Applicable ☑ Not Applicable

IV. AUDIT OF THE INTERIM REPORT

☐ Applicable ☑ Not Applicable

V. CHANGES TO AND HANDLING OF MATTERS INVOLVED IN NON-STANDARD AUDIT OPINIONS IN ANNUAL REPORT LAST YEAR

☐ Applicable ☑ Not Applicable

VI. EVENTS REGARDING BANKRUPTCY AND RESTRUCTURING

☐ Applicable ☑ Not Applicable

VII. MATERIAL LITIGATION AND ARBITRATION

☐ The Company was involved in material litigation or arbitration during the Reporting Period

☑ The Company was not involved in material litigation or arbitration during the Reporting Period

VIII. SUSPECTED VIOLATION OF LAWS AND REGULATIONS, PUNISHMENTS AND RECTIFICATIONS INVOLVED BY THE LISTED COMPANY, ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

X. MATERIAL RELATED PARTY TRANSACTIONS

(I) Related party transactions in relation to the ordinary operations

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

☐ Applicable ☑ Not Applicable

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

☑ Applicable ☐ Not Applicable

Unit: 0'000 Yuan Currency: RMB

Category of related party transaction	Related party	Estimated amount for 2026	Actual amount incurred for 2026
Purchase of products/materials from related parties	China Railway Signal and Communication (Group) Corporation Limited and its subsidiaries	7,000.00	2,274.39
Sale of products/materials to related parties		200.00	97.06
Receipt of services provided by related parties		2,000.00	–
Provision of services to related parties		20,000.00	419.44
Lease of premises/fixed assets from related parties		350.00	4.65
Lease out of premises/fixed assets to related parties		100.00	19.99

3. Events not disclosed in the temporary announcements

☐ Applicable ☑ Not Applicable

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

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

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

3. ***Events not disclosed in the temporary announcements***

☐ Applicable ☑ Not Applicable

4. ***Where an agreement on performance is involved, the performance achievements during the Reporting Period shall be disclosed***

☐ Applicable ☑ Not Applicable

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

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

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

3. ***Events not disclosed in the temporary announcements***

☐ Applicable ☑ Not Applicable

(IV) Claims and liabilities between related parties

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

☐ Applicable ☑ Not Applicable

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

☐ Applicable ☑ Not Applicable

3. ***Events not disclosed in the temporary announcements***

☐ Applicable ☑ Not Applicable

(V) Financial business between the Company and the related financial company or between the financial company controlled by the Company and the related parties

☑ Applicable ☐ Not Applicable

1. *Deposit business*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Related party	Related party relationship	Maximum daily limit of deposits	Interest rate range of deposit	Opening balance	Amount incurred during the period: Total deposited amount during the period	Amount incurred during the period: Total withdrawal amount during the period	Closing balance
China Railway Signal and Communication (Group) Corporation Limited (中國鐵路通信信號集團有限公司) and its subsidiaries	The controlling shareholder of the Company and its subsidiaries	7,000,000,000.00	0.10%-2.20%	1,034,509,208.30	191,724,475.13	554,892,116.53	671,134,556.90
Total	/	/	/	1,034,509,208.30	191,724,475.13	554,892,116.53	671,134,556.90

2. *Loan business*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Related party	Related party relationship	Loan limit	Interest rate range of loan	Opening balance	Amount incurred during the period: Total loan amount during the period	Amount incurred during the period: Total repayment amount during the period	Closing balance
China Railway Signal and Communication (Group) Corporation Limited (中國鐵路通信信號集團有限公司) and its subsidiaries	The controlling shareholder of the Company and its subsidiaries	500,000,000.00	2.11%-3.50%	–	–	–	–
Total	/	/	/	–	–	–	–

3. *Credit or other financial business*

☑ Applicable ☐ Not Applicable

Unit: RMB0'000 Currency: RMB

Related party	Related party relationship	Type of business	Total amount	Actual amount incurred
China Railway Signal and Communication (Group) Corporation Limited (中國鐵路通信信號集團有限公司) and its subsidiaries	The controlling shareholder of the Company and its subsidiaries	Other financial services (including but not limited to agency fees, handling fees, and other expenses for the provision of advisory, agency, settlement, transfer, settlement and sale of foreign exchange, investment, letter of credit, online banking, entrusted loan, underwriting, etc.)	3,000	–

4. *Other explanation*

☐ Applicable ☑ Not Applicable

(VI) Other material related party transactions

☐ Applicable ☑ Not Applicable

(VII) Directors list

As at the date of this report, the executive directors of the Company are Mr. LOU Qiliang and Mr. DONG Baoliang, the independent non-executive directors of the Company are Mr. YAO Guiqing, Mr. YAO Cho Fai Andrew and Mr. FU Junyuan, and the non-executive director of the Company is Ms. LUO Jing (employee director).

(VIII) Exchange rate risk

For information relating to exchange rate risk, please refer to the "Note XII. RISKS RELATED TO FINANCIAL INSTRUMENTS" to the financial statements.

(IX) Others

☐ Applicable ☑ Not Applicable

XI. MAJOR CONTRACTS AND PERFORMANCE

(I) Trust, contracting and leasing matters

☐ Applicable ☑ Not Applicable

(II) Significant guarantees performed and not fully performed during the Reporting Period

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)	
Total balance of guarantee provided during the Reporting Period (excluding those provided to subsidiaries)	–
Total balance of guarantee as at the end of the Reporting Period (A) (excluding those provided to subsidiaries)	–
Guarantees provided by the Company and its subsidiaries to its subsidiaries	
Total guarantee to its subsidiaries incurred during the Reporting Period	193,192,844.38
Total balance of guarantee to subsidiaries as at the end of the Reporting Period (B)	512,907,385.05
Aggregate guarantee of the Company (including those provided to subsidiaries)	
Aggregate guarantee (A+B)	512,907,385.05
Percentage of aggregate guarantee to net assets of the Company (%)	1.03
Representing:	
Amount of guarantee provided for shareholders, actual controller and related parties (C)	–
Amount of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)	244,597,817.32
Excess amount of aggregate guarantee over 50% of net assets (E)	–
Aggregate amount of the above three categories (C+D+E)	244,597,817.32
Statement on the contingent joint and several liability in connection with unexpired guarantee	
Statement on guarantee	Percentage of the total guarantee amount to net assets of the Company = guarantee amount/latest audited equity attributable to owners of the parent company. As of 30 June 2026, the balance of guarantee amounted to RMB513 million, accounting for 1.03% of the Company's net assets, of which, the balance of guarantees for wholly-owned subsidiaries was RMB513 million; the balance of guarantees for controlling subsidiaries was RMB0 billion. The Company did not provide any guarantees for any of its controlling shareholders, actual controllers or related parties. As of the end of the Reporting Period, the balance of guarantees provided by the Company for its subsidiaries with an asset liability ratio of more than 70% amounted to RMB245 million.

(III) Other material contracts

☐ Applicable ☑ Not Applicable

XII. EXPLANATION ON PROCESS IN USE OF PROCEEDS

☑ Applicable ☐ Not Applicable

(I) Overall use of proceeds

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Source of proceeds	Date of receiving proceeds	Total proceeds	Net proceeds (1)	Total promised investment amounts out of proceeds in the prospectus or offering memorandum (2)	Total over subscription proceeds (3)=(1)-(2)	Accumulated investment amount out of proceeds as of the end of the Reporting Period (4)	(5) Of which: accumulated investment amount out of over subscription proceeds as of the end of the Reporting Period (5)	Process of accumulated investment out of proceeds as of the end of the Reporting Period (%) (6) =(4)/(1)	Process of accumulated investment out of over subscription proceeds as of the end of the Reporting Period (%) (7) =(5)/(3)	Investment amount for the year (8)	Proportion of the investment amount for the year (%) (9)=(8)/(1)	Total proceeds with change in purposes
IPO of shares	16 July 2019	10,530,000,000	10,354,342,373.23	10,354,342,373.23	0	6,084,587,236.97	0	58.76		64,710,609.86	0.62	2,474,650,000.00
Total	/	10,530,000,000	10,354,342,373.23	10,354,342,373.23	0	6,084,587,236.97	0	/	/	64,710,609.86	/	2,474,650,000.00

Other explanations

☐ Applicable ☑ Not Applicable

(II) Details of the investment project

☑ Applicable ☐ Not Applicable

1. *Details of the use of proceeds*

☑ Applicable ☐ Not Applicable

Unit: '0,000 Yuan Currency: RMB

Source of proceeds	Project name	Nature of project	Whether or not a promised investment project in the prospectus or offering memorandum	Whether the change is involved	Total proposed investment amount of proceeds (1)	Amount invested in the year	Accumulated investment amount out of proceeds as of the end of the Reporting Period (2)	Process of accumulated investment as of the end of the Reporting Period (%) (3)=(2)/(1)	Date on which project reached expected available status	Closed or not	Whether process of investment is in line with plan process	Specific reason for process of investment not achieved as planned	Efficiency achieved for the year	Efficiency or R&D results achieved of this project	Whether feasibility of project changes significantly, if yes, please specify	Amount of balance
IPO of shares	Advanced and intelligent technology research and development projects	R&D	Yes	No	460,000.00	452.51	269,783.40	58.65	December 2026	No	No	There remains significant demand for digitalisation and intelligent systems within the rail transport sector; however, the growth rate of investment in the sector has slowed somewhat. In recent years, technologies such as artificial intelligence have evolved rapidly, but their level of maturity remains inconsistent. Pilot research and development into the application of new technologies is currently underway; however, as rail transit equipment has a service life of up to 20 years, it imposes high demands on technological maturity and stability. Large-scale R&D efforts will only commence once the development of relevant technologies has stabilised; consequently, investment in R&D projects for advanced and intelligent technologies has lagged behind.	-	Please refer to the notes after this table for details.	No	-
IPO of shares	Advanced and Intelligent Manufacturing Base Project	Production and construction	Yes	Yes, it has been cancelled	2,535.00	-	2,535.00	100.00	-	Yes	Yes	-	-	-	As approved by the shareholders' meeting, the Company has terminated the investment of the proceeds in this project.	-

Source of proceeds	Project name	Nature of project	Whether or not a promised investment project in the prospectus or offering memorandum	Whether the change is involved	Total proposed investment amount of proceeds (1)	Amount invested in the year	Accumulated investment amount out of proceeds as of the end of the Reporting Period (2)	Process of accumulated investment as of the end of the Reporting Period (%) (3)=(2)/(1)	Date on which project reached expected available status	Closed or not	Whether process of investment is in line with plan process	Specific reason for process of investment not achieved as planned	Efficiency achieved for the year	Efficiency or R&D results achieved of this project	Whether feasibility of project changes significantly, if yes, please specify	Amount of balance
IPO of shares	Informationization construction project	Operational management	Yes	No	30,000.00	301.59	24,765.83	82.55	June 2026	No	No	The Company's information technology development centres on centrally developed platforms and is implemented across its subsidiaries. Given the differences in the nature of their respective operations, these subsidiaries have significantly different business needs. Accordingly, the projects need to be advanced in batches and by stages based on actual circumstances. In addition, as artificial intelligence technology is currently undergoing rapid development, the Company has adopted a prudent approach to data security and access control and adjusted the pace of implementing the integrated application of AI and information systems. Priority has been given to strengthening the underlying security infrastructure, and the pace of funding deployment has therefore been managed prudently.	–	–	No	–
IPO of shares	Replenishment of liquid capital	Replenishment of liquid capital and debt repayment	Yes	No	295,434.24	–	299,593.40	101.41	–	Yes	Yes	–	–	–	–	–
IPO of shares	Digital andIntelligent Transformation Project for the Autonomous R&D and Manufacturing Base for Basic Rail Transit Control System Equipment of Shenyang Signal Company, Xi'an Industrial Group	Production and Construction	No	Yes, it is a new project	17,000.00	2,767.39	5,717.41	33.63	March 2028	No	Yes	–	–	–	–	–

Source of proceeds	Project name	Nature of project	Whether or not a promised investment project in the prospectus or offering memorandum	Whether the change is involved	Total proposed investment amount of proceeds (1)	Amount invested in the year	Accumulated investment amount out of proceeds as of the end of the Reporting Period (2)	Process of accumulated investment as of the end of the Reporting Period (%) (3)=(2)/(1)	Date on which project reached expected available status	Closed or not	Whether process of investment is in line with plan process	Specific reason for process of investment not achieved as planned	Efficiency achieved for the year	Efficiency or R&D results achieved of this project	Whether feasibility of project changes significantly, if yes, please specify	Amount of balance
IPO of shares	Intelligent and Green Technology Upgrade and Transformation Project for the Production Line of Series Cables for Rail Transit Use	Production and Construction		Yes, it is a new project	21,800.00	2,949.40	6,063.50	27.81	May 2027	No	Yes	-	-	-	-	-
IPO of shares	Intelligent Transformation and Upgrade Project for Traditional Production Lines of Xi'an Industrial Group	Production and Construction	No	Yes, it is a new project	22,752.00	0.00	0.00	-	-	No	Yes	-	-	-	-	-
IPO of shares	Rail Transit Signalling System Pilot Base Project	Production and Construction	No	Yes, it is a new project	8,596.76	0.17	0.17	0.002	April 2027	No	Yes	-	-	-	-	
Total	/	/	/	/	858,118.00	6,471.06	608,458.71	/	/	/	/	/	/	/		

Note 1: Benefits or research and development achievements of advanced and intelligent technology projects that have been realized: regional collaborative transportation service system demonstrated in Chongqing; autonomous CTCS-3 level train control system equipment successfully opened on Jakarta–Bandung High-Speed Railway; Ground equipment based on ETCS train control system baseline 3 opened on Belgrade-Padua, Serbia Section of Hungary-Serbia Railway; railway comprehensive dispatch information system applied to Baotou-Shenmu Railway and Shenmu-Shuozhou Raiway of Shenhua Railway, BeiDou satellite positioning-based moving block train control system completed a full system opening and application in Jingbian-Shenmu Railway and secured a commercial contract for the Morébaya-Simandou Railway in Guinea and its branch lines; new type of train control system based on BeiDou satellite positioning, integrated train control interlocking equipment opened and applied on Ruoqiang-Hetian Railway; CBTC system based on fully electronic interlocking opened on the extension section of Changchun Line 3 and the Changsha Line 6, with full-electronic interlocking gradually becoming the mainstream control mode for urban rail transit; research and development of intelligent light rail transit control system launched on the Fenghuang Maglev Express; autonomous train operation control system for urban rail transit put into operation on Shenzhen Metro Line 20 and completed on-site testing with 33 trains on Shanghai Metro Lines 3/4, achieving connectivity between depots and main lines; full-automatic flexible train formation function was put into passenger service on Beijing Metro Line 12; CBTC＋TBTC "Dual Signal System" was put into operation on Shanghai Metro Line 2; autonomous environmental perception TAPS system for driverless trains is currently being implemented on Ningbo Metro Line 7; C2+ATO train control onboard system for suburban railways successfully launched operations on the Shanghai Suburban Railway Airport Link Line, and won the signal system procurement projects for the Shanghai Metro Suburban Jiamin Line, Demonstration Zone Line, and Nanhui Branch Line. The Company designed the fully automated rail transit line with a speed of up to 100 km/h, the Suzhou Metro Line 11, which was successfully launched and operated, and enabled seamlessly connects with Shanghai Metro Line 11; intelligent passenger transport analysis system applied on the Fenghuang Maglev Express, Taizhou City Railway Line S1; ultra-high-speed maglev operation control system under low vacuum conditions achieved dynamic suspension test for the first time internationally; heavy-duty freight train self-organizing network high density automatic operation control system completed theoretical technological innovation, system equipment development, equipment installation and debugging for train cooperative control and efficient station dispatch, completed field tests on the Baoshen North Line test section, where full scenario tests were conducted with seven 5,000 tonne heavy haul trains, covering group operation, automatic driving, 10,000 tonne train and 5,000 tonne combined group operation, as well as group train tracking intervals, across 9 stations and 8 sections. The large station CTC3.0 system based on train dispatching operation fusion will be deployed in Jinan and Taiyuan bureaus and will begin nationwide promotion; C3 train control intelligent analysis system "vehicle-network-land" whole chain data monitoring and intelligent diagnosis for C3 train control system, and completed on-site demonstration applications; railway-specific 400MHz digital train dispatch system completed on-site demonstration test, meeting the conditions for promotion in the national railway market; digital integrated management and control of freight yard officially launched at Mohan Freight Yard at the border between China and Laos; integrated management and control system for passenger transport hubs was put into operation at Guangzhou Baiyun Station; locomotive onboard relay field trial implementation and received an operational report; railway comprehensive video surveillance system compliant with new standards applied to core nodes of the national railway group upgrade, projects including Tianjin-Qinhuangdao video, Shantou-Shanwei video, Guangzhou-Shantou video and Guiyang-Guangzhou railway transformation; intelligent railway communication equipment room management system was put into operation at Meilong High-Speed Railway's Wuhua Station and Xinning South Station; ZPW-2000 interval track circuit outdoor monitoring system (split type), turnout intelligent diagnostic system, turnout steel track fracture monitoring system, ZD6 dust-proof sealed electric switch machine, GW-SH external lock closing device and other products completed on-track testing and promotion application. Safety-type LED signal machine obtained certification in Serbia, and the supply of the first batch of switch machine suitable for the Tanzania Project was completed.

Note 2: A total of RMB2,697.83 million was invested in advanced and intelligent technology research and development projects as at the end of the Reporting Period, of which RMB2,047.88 million was invested in research on advanced rail transit control systems and key technologies, and RMB179.40 million was invested in research on intelligent integrated operation and maintenance systems and technologies for rail transit, RMB358.41 million was invested in smart city and industry communication information system research, RMB13.72 million was invested in chip technology applicable to rail transit, and RMB98.42 million (The tail number is generated by rounding) was invested in rail transit intelligent construction technology research.

Note 3: As of 30 June 2026, in the comparison table for the use of proceeds, the actual supplement working capital project investment amount was RMB2,995,930,000, including the total initial committed investment of RMB2,954,340,000 and current interest of RMB41,590,000 in the corresponding special bank account.

Note 4: The discontinuation of the "Advanced and Intelligent Manufacturing Base Project" and the continued use of the raised funds were approved by the 30th meeting of the fourth session of the board of directors and the 2025 first extraordinary shareholders' meeting of the Company. A portion of the remaining raised funds from the "Advanced and Intelligent Manufacturing Base Project" was repurposed for the implementation of new investment projects (the new projects were separately approved by the 30th meeting of the fourth session of the board of directors and the 2025 first extraordinary shareholders' meeting of the Company, as well as the 33rd meeting of the fourth session of the board of directors and the 2026 first extraordinary shareholders' meeting of the Company). The remaining raised funds will continue to be managed in the original special accounts for raised funds and will be invested in new projects as opportunities arise. For details, please refer to the "Announcement on the Postponement and Change of Certain Fundraising Projects" disclosed by the Company on 27 August 2025, and the "PROPOSED ADDITION OF AN A-SHARE FUNDRAISING PROJECT" disclosed on 23 January 2026.

2. *Details of the use of over subscription proceeds*

☐ Applicable ☑ Not Applicable

3. *Specific circumstances regarding the re-evaluation of fundraising investment projects during the Reporting Period*

☐ Applicable ☑ Not Applicable

(III) Changes in or termination of fund-raising investments during the Reporting Period

☑ Applicable ☐ Not Applicable

Unit: '0,000 Yuan Currency: RMB

Project name prior to change	Date of change (date of initial announcement disclosure)	Type of change	Total investment amount of raised funds for project prior to change/ termination	Total amount of raised funds already invested in project prior to change/ termination	Project name after change	Reason for change/termination	Amount of raised funds used for working capital after change/termination	Explanation of decision-making procedures and information disclosure
Advanced and Intelligent Manufacturing Base Project	28 August 2025	This project has been cancelled	250,000	2,535	Digital and Intelligent Transformation Project for the Autonomous R&D and Manufacturing Base for Basic Rail Transit Control System Equipment of Shenyang Signal Company, Xi'an Industrial Group, Intelligent and Green Technology Upgrade and Transformation Project for the Production Line of Series Cables for Rail Transit Use, Intelligent Transformation and Upgrade Project for Traditional Production Lines of Xi'an Industrial Group, and Rail Transit Signalling System Pilot Base Project, the remaining raised funds shall continue to be deposited in the designated fundraising account, with proper management of the raised funds carried out in accordance with relevant regulations.	Owing to rapid market development and changes in the external environment, the conditions for project implementation have shifted from previous expectations. The development and market prospects of the tram industry have fallen short of projections. Following assessment, it is deemed that if the project be completed, the risks of failing to achieve performance targets and of yields falling below originally anticipated benefits are elevated. Consequently, project investment and implementation progress have been delayed. To better safeguard the interests of the Company and its investors while enhancing the efficiency of raised funds utilisation, and following prudent deliberation in light of the Company's latest development strategy and business layout, it is proposed to cease the continued use of raised funds for this project. The remaining portion of raised funds allocated to the Advanced and Intelligent Manufacturing Base Project shall be redirected towards implementing newly proposed investment projects. The balance of raised funds shall remain deposited in the original raised funds management account for continued administration, with subsequent investment in new projects to be undertaken at appropriate times.	0	2025 first extraordinary shareholders' meeting dated 21 November 2025; 2026 first extraordinary shareholders' meeting dated 12 February 2026

(IV) Other circumstances of use of proceeds during the Reporting Period

1. Early investment and replacement regarding the investment projects with the raised funds

☐ Applicable ☑ Not Applicable

2. Temporary replenishment of liquid capital with the idle raised funds

☐ Applicable ☑ Not Applicable

3. Use of idle raised funds for cash management and investment in relevant products

☑ Applicable ☐ Not Applicable

Unit: 0'000 Yuan Currency: RMB

Date of deliberation by the Board of Directors	Effective deliberation amount of raised funds used for cash management	Start date	End date	Cash management balance at the end of the Reporting Period	Does the maximum balance for the period exceed the authorised amount
30 July 2025	270,000	30 July 2025	29 July 2026	270,000	No

Other explanations

At the 29th meeting of the fourth session of the Board of Directors and the 20th meeting of the fourth session of the Supervisory Committee of the Company convened on 30 July 2025, and at the 39th meeting of the fourth session of the Board of Directors of the Company convened on 29 July 2026, the Resolution on Utilizing Unused Raised Funds for Cash Management《(關於使用暫時閑置募集資金進行現金管理的議案》) was considered and approved by the Company, approving the Company's utilization of unused proceeds of no more than RMB2.7 billion (inclusive) for cash management, provided that the progress on investment plans which use the proceeds, the Company's production and operation and the security of the proceeds would not be affected, and for purchasing investment products with high security, good liquidity and guaranteed principal (including but not limited to principal guaranteed structured deposits, time deposits and large deposit certificate and call deposits) for a term of not exceeding 12 months. The details are subject to the resolution of the Board.

4. Others

☐ Applicable ☑ Not Applicable

(V) Explanation by intermediary agency regarding abnormalities identified in the verification of the storage and use of proceeds

☐ Applicable ☑ Not Applicable

(VI) Subsequent rectification of unauthorised change in the use of proceeds and appropriation of proceeds

☐ Applicable ☑ Not Applicable

XIII. EXPLANATION ON OTHER SIGNIFICANT EVENTS

☐ Applicable ☑ Not Applicable

SECTION VI CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. THE MOVEMENTS IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

There was no change in the total number of ordinary shares and the share capital structure of the Company during the Reporting Period.

2. Explanation on changes in shares

☐ Applicable ✓ Not applicable

3. Impact of changes in shares on financial indicators such as earnings per share, net asset per share from the Reporting Period to the disclosure date of the Interim Report (if any)

☐ Applicable ✓ Not applicable

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

☐ Applicable ✓ Not applicable

(II) Changes in shares subject to trading moratorium

☐ Applicable ✓ Not applicable

II. PARTICULARS OF SHAREHOLDERS

(I) Total number of shareholders:

Total number of ordinary shareholders as of the end of the Reporting Period (account)	61,851
Total number of shareholders of preference shares with restored voting rights as of the end of the Reporting Period (account)	–
Total number of shareholders holding shares with special voting rights as of the end of the Reporting Period (account)	–

Note: The total number of ordinary shareholders (61,851) as of the end of the Reporting Period is the total number of A-shareholders; in addition, the Company has another 194 H-shareholders.

Number of depositary receipt holders

☐ Applicable ✓ Not applicable

(II) Particulars of shareholdings of the top ten Shareholders and the top ten Shareholders not subject to trading moratorium as of the end of the Reporting Period

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

☐ Applicable ☑ Not applicable

Unit: Share

Particulars of shareholdings of the top ten Shareholders (Excluding shares lent through refinancing)

Name of shareholder (full name)	Change of shareholding during the Reporting Period	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Number of restricted shares including lending shares for securities financing	Shares pledged, marked or frozen		Nature of shareholder
						Status of shares	Number of shares	
China Railway Signal and Communication (Group) Corporation Limited Note 1	0	6,614,216,000	62.46	0	0	No	–	State-owned corporation
HKSCC NOMINEES LIMITED Note 2	10,000	1,967,831,700	18.58	0	0	Unknown	–	Overseas corporation
China Chengtong Holdings Group Ltd.	121,000,096	121,000,096	1.14	0	0	Unknown	–	State-owned corporation
China National Machinery Industry Corporation	0	63,507,192	0.60	0	0	Unknown	–	State-owned corporation
China Merchants Bank Co., Ltd-China AMC SSE STAR 50 Exchange Traded Fund	-56,188,985	44,609,444	0.42	0	0	Unknown	–	Other
HONG KONG SECURITIES CLEARING COMPANY LIMITED	-59,907,635	39,131,445	0.37	0	0	Unknown	–	Other
China Railway Investment Co., Ltd.	0	34,188,000	0.32	0	0	Unknown	–	State-owned corporation
Industrial and Commercial Bank of China Limited – E Fund SSE STAR 50 Exchange Traded Fund	-65,634,736	28,602,375	0.27	0	0	Unknown	–	Other
Hunan Rail Transit Holding Group Co., Ltd.*	0	23,677,500	0.22	0	0	Unknown	–	State-owned corporation
Industrial and Commercial Bank of China Limited – Harvest CSI 300 Dividend Low Volatility ETF	1,481,739	18,927,927	0.18	0	0	Unknown	–	Other

Particulars of shareholdings of the top ten Shareholders not subject to trading moratorium (Excluding shares lent through refinancing)

Name of Shareholder	Number of circulating shares held not subject to trading moratorium	Type and number of shares: Type	Type and number of shares: Number
China Railway Signal and Communication (Group) Corporation Limited Note 1	6,614,216,000	RMB ordinary shares	6,614,216,000
HKSCC NOMINEES LIMITED Note 2	1,967,831,700	Overseas listed foreign shares	1,967,831,700
China Chengtong Holdings Group Ltd.	121,000,096	RMB ordinary shares	121,000,096
China National Machinery Industry Corporation	63,507,192	RMB ordinary shares	63,507,192
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Exchange Traded Fund	44,609,444	RMB ordinary shares	44,609,444
HONG KONG SECURITIES CLEARING COMPANY LIMITED	39,131,445	RMB ordinary shares	39,131,445
China Railway Investment Co., Ltd.	34,188,000	RMB ordinary shares	34,188,000
Industrial and Commercial Bank of China Limited – E Fund SSE STAR 50 Exchange Traded Fund	28,602,375	RMB ordinary shares	28,602,375
Hunan Rail Transit Holding Group Co., Ltd.*	23,677,500	RMB ordinary shares	23,677,500
Industrial and Commercial Bank of China Limited – Harvest CSI 300 Dividend Low Volatility ETF	18,927,927	RMB ordinary shares	18,927,927
Explanation on the special account for repurchase of the top ten shareholders	–		
Explanation on the above shareholders who entrusted, be entrusted with or waived voting rights	–		
Explanation on the related party relationship or acting-in-concert arrangement among the above shareholders	China Railway Signal and Communication (Group) Corporation Limited, the largest shareholder, does not have any related party relationship with the other shareholders nor is it a person acting in concert with them. The Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.		
Explanation on the shareholders of preference shares with restored voting right and their shareholdings	–		

Note 1: As of 30 June 2026, apart from 6,614,216,000 A shares, China Railway Signal and Communication (Group) Corporation Limited also holds 34,302,000 H shares of the Company.

Note 2: H shares held by HKSCC NOMINEES LIMITED are held on behalf of various clients.

Note 3: Apart from information set out in note 1 and note 2, shares held by shareholders in the table above are all A shares of the Company.

Participation of shareholders holding more than 5% of the shares, top ten shareholders and top ten shareholders of outstanding shares not subject to trading restrictions in the lending of shares on the refinancing facility

☐ Applicable ☑ Not applicable

Change in the top ten shareholders and top ten shareholders of outstanding shares not subject to trading restrictions compared with the previous period due to lending/repatriation of refinancing facility

☐ Applicable ☑ Not applicable

The shareholdings of the top ten Shareholders subject to trading moratorium and conditions of such trading moratorium

☐ Applicable ☑ Not applicable

Particulars of the top ten domestic depositary receipts holders of the Company as at the end of the Reporting Period

☐ Applicable ☑ Not applicable

Particulars of depositary receipt lending by holders of depositary receipts holding more than 5% of the shares, top ten depositary receipt holders and top ten depositary receipt holders not subject to trading restrictions through re-financing facility

☐ Applicable ☑ Not applicable

Changes in the top ten depositary receipt holders and the top ten depositary receipts holders not subject to trading restrictions due to lending/repatriation of re-financing facility compared with the previous period

☐ Applicable ☑ Not applicable

Number of holdings of the top ten holders of depository receipts subject to trading moratorium and conditions of such trading moratorium

☐ Applicable ☑ Not applicable

(III) Particulars of top ten shareholders with voting rights as at the end of the Reporting Period

☐ Applicable ☑ Not applicable

(IV) Top ten shareholders from strategic investors or general legal persons participating in the placing of the new shares/depositary receipts

☐ Applicable ☑ Not applicable

(V) Interests and short positions of substantial shareholders in shares and underlying shares of the Company

As at 30 June 2026, so far as is known to the Directors, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "**SFO**") and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Class of Shares	Capacity	Number of Shares Held	Approximate Percentage of Shares in the Relevant Class of Shares of the Company	Approximate percentage of shares in the total issued shares of the Company
China Railway Signal and Communication (Group) Corporation Limited (2)	A shares	Beneficial owner	6,614,216,000 (Long position)	76.72%	62.45%
Shanghai Zhenhua Heavy Industries Co., Ltd. (3) (4)	H shares	Beneficial owner	114,896,000 (Long position)	5.84%	1.08%
Shanghai Zhenhua Port Machinery (Hong Kong) Company Limited (3) (4)	H shares	Beneficial owner	114,896,000 (Long position)	5.84%	1.08%
China Railway Group Investment (Hong Kong) Limited (5)	H shares	Beneficial owner	123,063,000 (Long position)	6.25%	1.16%
China Railway Engineering Corporation (5)	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
China Railway Group Limited (5)	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
China Railway International Group Co., Limited (5)	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
Shanghai Ningquan Asset Management Co., Ltd. (上海寧泉資產管理有限公司)	H shares	Investment manager	215,620,000 (Long position)	10.95%	2.04%
China Post Life Insurance Company Limited	H shares	Beneficial owner	138,534,000 (Long position)	7.04%	1.31%

Notes:

1. As at 30 June 2026, the number of issued shares of the Company was 10,589,819,000 shares, of which 1,968,801,000 shares were H shares and 8,621,018,000 shares were A shares.

2. As at 30 June 2026, China Railway Signal and Communication (Group) Corporation Limited held 6,614,216,000 A shares and 34,302,000 H shares of the Company, for a total of 6,648,518,000 shares, representing 62.78% of the total share capital.

3. Shanghai Zhenhua Heavy Industries Co., Ltd. had interests in such shares through Shanghai Zhenhua Port Machinery (Hong Kong) Company Limited.

4. As at 24 July 2025, Shanghai Zhenhua Heavy Industries Co. Ltd. disposed 8,167,000 H shares. After such disposal, Shanghai Zhenhua Heavy Industries Co. Ltd. held 114,896,000 H shares of the Company, representing approximately 5.84% of the Company's H shares and approximately 1.08% of the total issued shares of the Company.

5. China Railway Engineering Corporation had interests in such shares through China Railway Group Limited, China Railway International Group Co., Limited and China Railway Group Investment (Hong Kong) Limited.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any persons (other than the Directors or chief executives of the Company) who had interests and/or short positions in the shares and/or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

III. DIRECTORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

(I) The changes in shareholding of current and resigned directors, senior management and core technicians during the Reporting Period

☐ Applicable ☑ Not applicable

Other explanations

☐ Applicable ☑ Not applicable

(II) The equity incentives granted to the directors, senior management and core technicians during the Reporting Period

1. Stock option

☐ Applicable ☑ Not applicable

2. The first type of restricted stocks

☐ Applicable ☑ Not applicable

3. The second type of restricted stocks

☐ Applicable ☑ Not applicable

(III) Other explanations

☐ Applicable ☑ Not applicable

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

As at 30 June 2026, none of the directors and the chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests or short positions deemed or treated as held pursuant to the relevant provisions of the Securities and Futures Ordinance), or which are required to be entered in the register referred to in section 352 of the Securities and Futures Ordinance, or which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**").

V. SECURITIES TRANSACTIONS CONDUCTED BY DIRECTORS

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

VI. CHANGES IN THE CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

VIII. SHARES WITH SPECIAL VOTING RIGHTS

☐ Applicable ☑ Not applicable

IX. PARTICULARS OF PREFERENCE SHARES

☐ Applicable ☑ Not applicable

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL INSTITUTIONS

☑ Applicable ☐ Not Applicable

(I) Corporate bonds (including enterprise bonds)

☑ Applicable ☐ Not Applicable

I. *Overview of corporate bonds*

Unit: Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Interest start date	Next put option date after 31 August 2026	Maturity date	Balance of the bond	Interest rate (%)	Repayment of principal and interest	Trading place	Lead underwriters	Trustee	Investor suitability arrangements	Trading mechanism	Whether there is a risk of termination of listing and trading
Public offering of tech-innovation renewable corporate bonds of China Railway Signal & Communication Corporation Limited to professional investors in 2024 (first tranche) (variety one)	CRSC YK01	242097.SH	6 December 2024 to 9 December 2024	9 December 2024	9 December 2029	9 December 2029	1,500,000,000.00	2.2	Interest Payment: If the issuer does not exercise the right to defer interest payments, the bond will accrue simple interest, and interest will be paid annually. Redemption Amount: If the issuer chooses to redeem the bond in full in any renewal year of the bond's renewal option, the principal will be repaid in full.	Shanghai Stock Exchange	China Reform Securities Co., Ltd. CITIC Securities Co., Ltd.	China Reform Securities Co., Ltd.	Qualified Investors	Matched Transaction, Click Transaction, Inquiry Transaction, Auction Transaction, Negotiated Transaction	No

Name of bond	Abbreviation	Code	Issue date	Interest start date	Next put option date after 31 August 2026	Maturity date	Balance of the bond	Interest rate (%)	Repayment of principal and interest	Trading place	Lead underwriters	Trustee	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of termination of listing and trading
Public offering of tech-innovation renewable corporate bonds of China Railway Signal & Communication Corporation Limited to professional investors in 2024. (First Tranche) (Variety Two)	CRSC YK02	242098.SH	6 December 2024 to 9 December 2024	9 December 2024	9 December 2034	9 December 2034	1,000,000,000.00	2.4	Interest Payment: If the issuer does not exercise the right to defer interest payments, the bond will accrue simple interest, and interest will be paid annually. Redemption Amount: If the issuer chooses to redeem the bond in full in any renewal year of the bond's renewal option, the principal will be repaid in full.	Shanghai Stock Exchange	China Reform Securities Co., Ltd. CITIC Securities Co., Ltd.	China Reform Securities Co., Ltd.	Qualified Investors	Matched Transaction, Click Transaction, Inquiry Transaction, Auction Transaction, Negotiated Transaction	No

Measures adopted by the Company for the risk of terminating the listing and trading of bonds

☐ Applicable ☑ Not Applicable

2. Triggering and implementation of the Company or investor option terms and the investor protection terms

☐ Applicable ☑ Not Applicable

3. Adjustment of credit rating results

☐ Applicable ☑ Not Applicable

Other explanations

☐ Applicable ☑ Not Applicable

4. Implementation and change in guarantees, debt repayment plans and other repayment guarantees during the Reporting Period and their impact

☐ Applicable ☑ Not Applicable

(II) Proceeds from the corporate bonds

☐ Corporate bonds involving the use of proceeds or rectification during the Reporting Period

☑ None of the Company's corporate bonds involved the use of proceeds or rectification during the Reporting Period

(1) Use of proceeds for specific projects

☐ Applicable ☑ Not Applicable

(III) Other matters that should be disclosed for special bonds

☑ Applicable ☐ Not Applicable

1. The Company is an issuer of exchangeable corporate bonds

☐ Applicable ☑ Not Applicable

2. The Company is an issuer of green corporate bonds

☐ Applicable ☑ Not Applicable

3. *The Company is an issuer of renewable corporate bonds*

☑ Applicable ☐ Not Applicable

Unit: RMB100 million Currency: RMB

Bond code	242097.SH
Bond abbreviation	CRSC YK01
Outstanding balance	15.00
Renewal status	Not applicable
Step-up interest rate	Not applicable
Interest deferral	Not applicable
Mandatory interest payment	Not applicable
Whether still recognised as equity and related accounting treatment	Classified as other equity instruments
Other matters	None

Unit: RMB100 million Currency: RMB

Bond code	242098.SH
Bond abbreviation	CRSC YK02
Outstanding balance	10.00
Renewal status	Not applicable
Step-up interest rate	Not applicable
Interest deferral	Not applicable
Mandatory interest payment	Not applicable
Whether still recognised as equity and related accounting treatment	Classified as other equity instruments
Other matters	None

4. *The Company is an issuer of poverty alleviation corporate bonds*

☐ Applicable ☑ Not Applicable

5. *The Company is an issuer of rural revitalisation corporate bonds*

☐ Applicable ☑ Not Applicable

6. *The Company is an issuer of Belt and Road corporate bonds*

☐ Applicable ☑ Not Applicable

7. *The Company is an issuer of technology innovation or innovation and entrepreneurship corporate bonds*

☑ Applicable ☐ Not Applicable

Unit: RMB100 million Currency: RMB

Category of issuers applicable to the bond	✓	Scientific and technological innovation enterprise	☐	Scientific and technological innovation upgrading enterprise
	☐	Scientific and technological innovation investment enterprise	☐	Scientific and technological innovation incumbent enterprise
	☐	Financial institution		

Bond code	242097.SH
Bond abbreviation	CRSC YK01
Outstanding balance	15.00
Progress related to technology innovation projects or financial institutions' investment of raised funds in technology innovation sectors	Not applicable
Outcomes supporting technological innovation development	Not applicable
Operation of fund products (if any)	Not applicable
Other matters	None

Unit: RMB100 million Currency: RMB

Category of issuers applicable to the bond	✓	Scientific and technological innovation enterprise	☐	Scientific and technological innovation upgrading enterprise
	☐	Scientific and technological innovation investment enterprise	☐	Scientific and technological innovation incumbent enterprise
	☐	Financial institution		

Bond code	242098.SH
Bond abbreviation	CRSC YK02
Outstanding balance	10.00
Progress related to technology innovation projects or financial institutions' investment of raised funds in technology innovation sectors	Not applicable
Outcomes supporting technological innovation development	Not applicable
Operation of fund products (if any)	Not applicable
Other matters	None

8. The Company is an issuer of low-carbon transition (linked) corporate bonds

☐ Applicable ☑ Not Applicable

9. The Company is an issuer of relief corporate bonds

☐ Applicable ☑ Not Applicable

10. The Company is an issuer of SME-support corporate bonds

☐ Applicable ☑ Not Applicable

11. Other matters related to special purpose corporate bonds

☐ Applicable ☑ Not Applicable

(IV) Important matters related to corporate bonds during the Reporting Period

☐ Applicable ☑ Not Applicable

(V) Debt financing instruments of non-financial enterprises in the interbank bond market

☐ Applicable ☑ Not Applicable

(VI) Losses in the consolidated statements exceeding 10% of the net assets as at the end of the previous year during the Reporting Period

☐ Applicable ☑ Not Applicable

(VII) Breaches of Regulations and Covenants

Influence of violations of laws and regulations, self-regulatory rules, the Articles of Association, the management system for information disclosure, and the agreements or undertakings in the bond prospectus and the relevant circumstances on the rights and interests of bond investors during the Reporting Period

☐ Applicable ☑ Not Applicable

(VIII) Major accounting data and financial indicators

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Major indicators	End of the Reporting Period	End of last year	Change as compared with the end of last year (%)	Reason of changes
Current ratio	1.58	1.56	Increase by 0.02 percentage points	
Quick ratio	0.85	0.89	Decrease by 0.04 percentage points	
Gearing ratio (%)	55.28	55.65	Decrease by 0.37 percentage points	

	Reporting Period (January-June)	Corresponding period of last year	Change as compared with the corresponding period of last year (%)	Reason of changes
Net profits after deducting non-recurring profit and loss	1,410,985,979.01	1,558,511,840.27	-9.47	/
Debt-to-EBITDA ratio	0.32	0.43	Decrease by 0.11 percentage point	/
Interest coverage ratio	34.10	61.08	Decrease by 26.98 percentage points	Primarily due to a significant increase in interest expenses
Cash interest coverage ratio	-5.18	-104.27	Increase by 99.09 percentage points	Primarily due to a significant increase in net cash flows from operating activities
EBITDA interest coverage ratio	40.22	70.94	Decrease by 30.71 percentage points	Primarily due to a significant increase in interest expenses
Loan repayment ratio (%)	100.00	100.00	–	
Interest payment ratio (%)	100.00	100.00	–	

II. CONVERTIBLE COMPANY DEBENTURES

☐ Applicable ☑ Not Applicable

SECTION VIII FINANCIAL REPORT

I. AUDIT REPORT

☐ Applicable ☑ Not Applicable

CONSOLIDATED BALANCE SHEET

30 June 2026

II. FINANCIAL REPORT

Prepared by: China Railway Signal & Communication Corporation Limited

Unit: Yuan Currency: RMB

Item	Note VII	30 June 2026	31 December 2025
Current assets:			
Cash and bank balances	(I)	**21,130,475,293.38**	22,386,114,359.53
Balances with clearing companies		**–**	–
Placements with banks and other financial institutions		**–**	
Held-for-trading financial assets	(II)	**–**	–
Derivative financial assets	(III)	**–**	–
Bills receivable	(IV)	**796,447,785.34**	1,464,349,227.45
Accounts receivable	(X)	**23,812,824,753.03**	25,001,461,400.76
Receivables for financing	(VII)	**737,765,613.78**	795,707,159.42
Prepayments	(VIII)	**1,432,378,078.77**	1,208,649,645.23
Insurance Premiums Receivable		**–**	–
Premiums receivable		**–**	–
Deposits receivable from reinsurance treaty		**–**	–
Other receivables	(IX)	**1,666,555,734.80**	1,527,850,387.21
Including: Interest receivable		**–**	–
Dividends receivable		**1,008,000.00**	9,391,355.40
Financial assets held under resale agreements		**–**	–
Inventories	（X）	**3,783,956,722.12**	3,351,523,808.99
Of which: data resources		**–**	–
Contract assets	(VI)	**34,484,391,075.56**	32,848,758,789.78
Assets held for sale	(XI)	**–**	–
Non-current assets due within one year	(XII)	**110,543,117.52**	152,977,852.67
Other current assets	(XIII)	**973,576,503.70**	829,838,967.18
Total current assets		**88,928,914,678.00**	89,567,231,598.22

Item	Note VII	30 June 2026	31 December 2025
Non-current assets:			
Loans and advances to customers		–	–
Debt investment	(XIV)	**273,172,183.50**	273,172,183.50
Other debt investments	(XV)	–	–
Long-term receivables	(XVI)	**7,461,048,615.57**	7,988,247,006.24
Long-term equity investments	(XVII)	**2,220,937,207.57**	2,181,664,484.27
Other equity instrument investments	(XVIII)	**1,469,647,442.33**	1,397,735,606.02
Other non-current financial assets	(XIX)	–	–
Investment properties	(XX)	**353,114,955.28**	329,849,682.53
Fixed assets	(XXI)	**4,759,353,293.06**	4,901,045,878.62
Construction in progress	(XXII)	**1,043,511,215.93**	974,657,001.76
Productive biological assets	(XXIII)	–	–
Oil and gas assets	(XXIV)	–	–
Right-of-use assets	(XXV)	**154,790,164.01**	161,241,008.57
Intangible assets	(XXVI)	**2,439,319,717.59**	2,571,968,066.64
Of which: data resources		–	–
Development expenditure	VIII	**437,247,369.74**	307,502,933.27
Of which: data resources		–	–
Goodwill	(XXVII)	**262,891,028.58**	262,891,028.58
Long-term prepaid expenses	(XXVIII)	**16,549,019.80**	26,633,710.67
Deferred tax assets	(XXIX)	**733,349,565.81**	725,268,590.96
Other non-current assets	(XXX)	**6,714,658,390.72**	6,652,581,872.05
Total non-current assets		**28,339,590,169.49**	28,754,459,053.68
Total assets		**117,268,504,847.49**	118,321,690,651.90

CONSOLIDATED BALANCE SHEET (CONTINUED)

30 June 2026

Item	Note VII	30 June 2026	31 December 2025
Current liabilities:			
Short-term borrowings	(XXXII)	**40,937,050.75**	170,476,451.50
Borrowings from central bank		**–**	–
Placements from banks and other financial institutions		**–**	–
Financial liabilities held for trading	(XXXIII)	**–**	–
Derivative financial liabilities	(XXXIV)	**–**	–
Bills payable	(XXXV)	**1,140,348,221.11**	1,691,264,511.61
Accounts payable	(XXXVI)	**37,788,053,360.58**	39,220,108,544.27
Advance receipts	(XXXVII)	**–**	–
Contract liabilities	(XXXVIII)	**10,046,469,048.62**	9,651,753,046.43
Financial assets sold for repurchase	(XXXIX)	**–**	16,950,121.15
Customers deposits and deposits from banks and other financial institutions	(XL)	**673,760,677.58**	1,035,278,439.21
Amount paid for agency securities trading		**–**	–
Amount paid for agency securities underwriting		**–**	–
Employee benefits payable	(XLI)	**899,077,678.97**	770,638,841.26
Taxes payable	(XLII)	**681,100,160.99**	1,181,460,870.29
Other payables	(XLIII)	**3,601,545,729.52**	2,199,881,519.41
Of which: Interest payable		**–**	–
Dividends payable		**1,819,907,503.53**	11,764,619.61
Fees and commissions payable		**–**	–
Reinsurance accounts payable		**–**	–
Liabilities held for sale	(XLIV)	**–**	–
Non-current liabilities due within one year	(XLV)	**484,727,908.49**	489,815,377.77
Other current liabilities	(XLVI)	**962,856,439.71**	967,002,635.13
Total current liabilities		**56,318,876,276.32**	57,394,630,358.03

Item	Note VII	**30 June 2026**	31 December 2025
Non-current liabilities:			
Insurance contract reserve		**–**	–
Long-term borrowings	(XLVII)	**7,551,873,923.00**	7,515,803,923.00
Bonds payable	(XLVIII)	**–**	–
Including: Preference shares		**–**	–
Perpetual bonds		**–**	–
Lease liabilities	(XLIX)	**99,603,501.27**	99,902,212.83
Long-term payables	(L)	**47,316,374.84**	47,316,374.84
Long-term employee benefits payable	(LI)	**508,241,457.40**	511,685,000.00
Estimated liabilities	(LII)	**23,876,743.25**	25,882,337.23
Deferred income	(LIII)	**220,112,996.09**	203,625,846.33
Deferred tax liabilities	(XXIX)	**55,891,558.70**	51,992,843.93
Other non-current liabilities	(LIV)	**–**	–
Total non-current liabilities		**8,506,916,554.55**	8,456,208,538.16
Total liabilities		**64,825,792,830.87**	65,850,838,896.19
Shareholders' equity:			
Share capital	(LV)	**10,589,819,000.00**	10,589,819,000.00
Other equity instruments	(LVI)	**2,500,000,000.00**	2,500,000,000.00
Including: Preference shares		**–**	–
Perpetual bonds		**2,500,000,000.00**	2,500,000,000.00
Capital reserve	(LVII)	**15,960,824,411.34**	15,960,437,437.48
Less: treasury stocks	(LVIII)	**–**	–
Other comprehensive income	(LIX)	**-365,865,339.01**	-360,257,233.13
Special reserve	(LX)	**393,845,793.79**	397,214,776.82
Surplus reserve	(LXI)	**2,694,162,333.16**	2,694,162,333.16
General risk reserve		**167,899,693.10**	167,899,693.10
Retained earnings	(LXII)	**17,555,003,057.45**	17,893,791,270.92
Total equity attributable to Shareholders of the parent company		**49,495,688,949.83**	49,843,067,278.35
Non-controlling interests		**2,947,023,066.79**	2,627,784,477.36
Total Shareholders' equity		**52,442,712,016.62**	52,470,851,755.71
Total liabilities and Shareholders' equity		**117,268,504,847.49**	118,321,690,651.90

Person-in-charge of the Company: 'LOU Qiliang　　Chief Financial Officer: LI Lianqing　　Head ofAccounting Department: LIU Huafeng

PARENT COMPANY'S BALANCE SHEET

30 June 2026

Prepared by: China Railway Signal & Communication Corporation Limited

Unit: Yuan Currency: RMB

Item	Note XX	30 June 2026	31 December 2025
Current assets:			
Cash and bank balances		**9,113,788,058.15**	9,065,328,872.09
Held-for-trading financial assets		**–**	–
Derivative financial assets		**–**	–
Bills receivable		**9,936,093.45**	4,985,000.00
Accounts receivable	(I)	**1,124,406,793.67**	1,169,535,970.32
Receivables for financing		**1,423,988.65**	5,232,319.18
Prepayments		**176,163,163.59**	262,680,979.74
Other receivables	(II)	**8,389,214,311.43**	6,920,188,246.68
Including: Interest receivable		**–**	–
Dividends receivable		**1,431,254,570.73**	354,835,070.73
Inventories		**49,295,586.95**	12,623,770.00
Of which: data resources		**–**	–
Contract assets		**1,241,858,308.28**	1,341,508,413.82
Assets held for sale		**–**	–
Non-current assets due within one year		**–**	57,680,881.19
Other current assets		**79,033,863.33**	64,584,344.23
Total current assets		**20,185,120,167.50**	18,904,348,797.25

PARENT COMPANY'S BALANCE SHEET (CONTINUED)

30 June 2026

Item	Note XX	30 June 2026	31 December 2025
Non-current assets:			
Debt investment		**273,172,183.50**	273,172,183.50
Other debt investments		**–**	–
Long-term receivables		**2,703,506,159.85**	2,320,056,183.56
Long-term equity investments	(III)	**22,533,086,088.47**	20,305,023,751.02
Other equity instrument investments		**514,670,772.91**	514,670,772.91
Other non-current financial assets		**–**	–
Investment properties		**1,290,061,173.09**	1,309,054,162.41
Fixed assets		**475,790,958.97**	488,661,396.95
Construction in progress		**–**	–
Productive biological assets		**–**	–
Oil and gas assets		**–**	–
Right-of-use assets		**–**	–
Intangible assets		**564,096,139.82**	601,822,204.45
Of which: data resources		**–**	–
Development expenditure		**–**	–
Of which: data resources		**–**	–
Goodwill		**–**	–
Long-term prepaid expenses		**–**	–
Deferred tax assets		**45,332,790.77**	47,429,442.08
Other non-current assets		**35,663,863.34**	37,130,595.82
Total non-current assets		**28,435,380,130.72**	25,897,020,692.70
Total assets		**48,620,500,298.22**	44,801,369,489.95

PARENT COMPANY'S BALANCE SHEET (CONTINUED)

30 June 2026

Item	Note XX	30 June 2026	31 December 2025
Current liabilities:			
Short-term borrowings		–	–
Financial liabilities held for trading		–	–
Derivative financial liabilities		–	–
Bills payable		**13,625,957.45**	30,167,209.19
Accounts payable		**2,600,585,512.53**	2,671,209,356.22
Advance receipts		–	–
Contract liabilities		**781,367,825.42**	781,785,045.57
Employee benefits payable		**18,145,852.37**	18,961,324.44
Taxes payable		**1,879,330.93**	3,709,269.45
Other payables		**4,375,148,821.48**	2,694,359,761.63
Of which: Interest payable		–	–
Dividends payable		–	–
Liabilities held for sale		–	–
Non-current liabilities due within one year		–	–
Other current liabilities		**42,506,595.23**	42,090,867.80
Total current liabilities		**7,833,259,895.41**	6,242,282,834.30
Non-current liabilities:			
Long-term borrowings		**4,000,000,000.00**	4,000,000,000.00
Bonds payable		–	–
Including: Preference shares		–	–
Perpetual bonds		–	–
Lease liabilities		–	–
Long-term payables		–	–
Long-term employee benefits payable		**46,149,457.40**	49,593,000.00
Estimated liabilities		**686,646.49**	686,646.49
Deferred income		**4,010,494.06**	4,010,494.06
Deferred tax liabilities		–	–
Other non-current liabilities		–	–
Total non-current liabilities		**4,050,846,597.95**	4,054,290,140.55
Total liabilities		**11,884,106,493.36**	10,296,572,974.85

PARENT COMPANY'S BALANCE SHEET (CONTINUED)

30 June 2026

Item	Note XX	30 June 2026	31 December 2025
Shareholders' equity:			
Share capital		**10,589,819,000.00**	10,589,819,000.00
Other equity instruments		**2,500,000,000.00**	2,500,000,000.00
Including: Preference shares		**–**	–
Perpetual bonds		**2,500,000,000.00**	2,500,000,000.00
Capital reserve		**18,599,140,534.51**	16,475,988,505.31
Less: treasury stocks		**–**	–
Other comprehensive income		**-16,623,286.08**	-15,862,065.45
Special reserve		**16,548,457.99**	20,810,427.82
Surplus reserve		**2,694,162,333.16**	2,694,162,333.16
Retained earnings		**2,353,346,765.28**	2,239,878,314.26
Total Shareholders' equity		**36,736,393,804.86**	34,504,796,515.10
Total liabilities and Shareholders' equity		**48,620,500,298.22**	44,801,369,489.95

Person-in-charge of the Company: LOU Qiliang

Chief Financial Officer: LI Lianqing

Head of Accounting Department: LIU Huafeng

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

30 June 2026

Unit: Yuan Currency: RMB

Item		Note VII	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
I.	Total revenue	(LXIII)	**14,141,515,907.14**	14,729,610,611.89
	Including: Revenue		**14,080,346,521.17**	14,664,691,458.72
	Interest income		**61,169,385.97**	64,565,379.58
	Premiums earned		**–**	–
	Fees and commissions income		**–**	353,773.59
II.	Total cost of sales	(LXIII)	**12,193,268,446.08**	12,640,293,055.56
	Including: Cost of sale		**9,918,049,701.22**	10,446,705,876.05
	Interest expenses		**2,287,373.17**	2,070,427.46
	Fees and commissions expense		**52,061.06**	37,488.11
	Surrenders		**–**	–
	Net payments for insurance claims		**–**	–
	Net provisions for insurance contract reserve		**–**	–
	Policy dividend expenses		**–**	–
	Reinsurance costs		**–**	–
	Taxes and surcharges	(LXIV)	**120,282,549.26**	123,061,829.15
	Selling and distribution expenses	(LXV)	**338,957,247.88**	332,206,725.67
	General and administrative expenses	(LXVI)	**981,452,940.21**	961,292,923.17
	Research and development expenses	(LXVII)	**785,525,409.89**	802,855,676.42
	Finance costs	(LXVIII)	**46,661,163.39**	-27,937,890.47
	Including: Interest expenses		**63,706,098.24**	38,015,775.71
	Interest income		**32,979,170.09**	74,024,784.20
	Add: Other income	(LXIX)	**158,390,521.96**	199,260,771.19
	Investment income (with "-" for loss)	(LXX)	**45,593,414.07**	26,892,354.98
	Including: Share of profits of associates and joint ventures		**41,150,175.49**	22,052,624.21
	Derecognition of income from financial assets at amortized cost (with "-" for loss)		**–**	–
	Foreign exchange gains (with "-" for loss)		**–**	–
	Net gains from hedging exposure (with "-" for loss)	(LXXI)	**–**	–
	Gains from changes in fair value (with "-" for loss)	(LXXII)	**–**	–
	Credit impairment losses (with "-" for loss)	(LXXIV)	**-24,771,721.56**	-35,922,226.92
	Assets impairment losses (with "-" for loss)	(LXXV)	**-4,823,159.76**	-1,257,467.23
	Gains from disposal of assets (with "-" for loss)	(LXXIII)	**-784,257.74**	-485,242.79

Item		Note VII	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
III.	Operating profit (with "-" for loss)		**2,121,852,258.03**	2,277,805,745.56
	Add: Non-operating income	(LXXVI)	**4,620,462.22**	9,196,080.41
	Less: Non-operating expenses	(LXXVII)	**17,774,105.16**	2,839,511.24
IV.	Total profits (with "-" for total losses)		**2,108,698,615.09**	2,284,162,314.73
	Less: Income tax expenses	(LXXVIII)	**409,007,484.65**	422,395,720.26
V.	Net profit (with "-" for net loss)		**1,699,691,130.44**	1,861,766,594.47
	(I) Classified by continuity of operation			
	1. Net profit from continuing operations (with "-" for net loss)		**1,699,691,130.44**	1,861,766,594.47
	2. Net profit from discontinued operations (with "-" for net loss)		**–**	–
	(II) Classified by the ownership			
	1. Net profit attributable to the owners of the parent company (with "-" for net loss)		**1,473,454,789.53**	1,620,509,774.40
	2. Net profit attributable to non-controlling interests (with "-" for net loss)		**226,236,340.91**	241,256,820.07
VI.	Other comprehensive income, net of tax	(LIX)	**-5,626,979.79**	5,282,095.24
	(I) Other comprehensive income attributable to the owners of the parent company, net of tax		**-5,608,105.88**	5,264,631.25
	1. Other comprehensive income that may not be reclassified into profit or loss		**–**	–
	(1) Changes of re-measurement of defined benefit plans		**–**	–
	(2) Other comprehensive income that cannot be transferred to profit or loss under equity method		**–**	–
	(3) Changes in fair value of other equity instrument investments		**–**	–
	(4) Changes in fair value of the Company's own credit risk		**–**	–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

30 June 2026

Item	Note VII	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
2. Other comprehensive income that will be reclassified into profit or loss		**-5,608,105.88**	5,264,631.25
(1) Other comprehensive income that can be transferred to profit or loss under equity method		**–**	–
(2) Changes in fair value of other debt investments		**–**	–
(3) Amount of financial assets reclassified into other comprehensive income		**–**	–
(4) Credit impairment provisions for other debt investments		**–**	–
(5) Hedging reserve arising from cash flows		**-3,830,156.20**	5,269,799.52
(6) Exchange differences on translation of foreign operations		**-1,647,624.52**	237,239.02
(7) Others		**-130,325.16**	-242,407.29
(II) Other comprehensive income attributable to non-controlling interests, net of tax		**-18,873.91**	17,463.99
VII. Total comprehensive income		**1,694,064,150.65**	1,867,048,689.71
(I) Total comprehensive income attributable to Shareholders of the parent company		**1,467,846,683.65**	1,625,774,405.65
(II) Total comprehensive income attributable to non-controlling interests		**226,217,467.00**	241,274,284.06
VIII. Earnings per share:			
(I) Basic earnings per share *(RMB/share)*		**0.14**	0.15
(II) Diluted earnings per share *(RMB/share)*		**0.14**	0.15

Person-in-charge of the Company: LOU Qiliang

Chief Financial Officer: LI Lianqing

Head of Accounting Department: LIU Huafeng

PARENT COMPANY'S STATEMENT OF PROFIT OR LOSS

30 June 2026

Unit: Yuan Currency: RMB

Item		Note XX	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I.	Revenue	(IV)	**753,552,329.84**	768,294,569.49
	Less: Cost of sale	(IV)	**692,534,366.72**	649,146,583.38
	Taxes and surcharges		**17,730,263.15**	17,971,057.21
	Selling and distribution expenses		**885,744.93**	721,170.79
	General and administrative expenses		**120,187,864.21**	98,938,435.79
	Research and development expenses		**34,999,164.62**	39,716,330.75
	Finance costs		**23,390,906.40**	-7,893,181.92
	Including: Interest expenses		**62,223,477.65**	50,987,848.29
	Interest income		**35,818,995.56**	61,403,386.55
	Add: Other income		**660,761.38**	1,621,516.60
	Investment income (with "-" for loss)	(V)	**2,047,456,510.02**	1,748,030,196.45
	Including: Share of profits of associates and joint ventures		**22,798,471.94**	13,781,986.69
	Derecognition of income from financial assets at amortized cost (with "-" for loss)		**–**	–
	Net gains from hedging exposure (with "-" for loss)		**–**	–
	Gains from changes in fair value (with "-" for loss)		**–**	–
	Credit impairment losses (with "-" for loss)		**8,421,184.89**	1,952,974.33
	Assets impairment losses (with "-" for loss)		**-63,233.31**	-107,643.47
	Gains from disposal of assets (with "-" for loss)		**108.85**	-488,937.24
II.	Operating profit (with "-" for loss)		**1,920,299,351.64**	1,720,702,280.16
	Add: Non-operating income		**3,008.85**	20,355.70
	Less: Non-operating expenses		**401,625.32**	132.21
III.	Total profits (with "-" for total losses)		**1,919,900,735.17**	1,720,722,503.65
	Less: Income tax expenses		**6,163,054.15**	14,386,318.38
IV.	Net profit (with "-" for net loss)		**1,913,737,681.02**	1,706,336,185.27
	(I) Net profit from continuing operations (with "-" for net loss)		**1,913,737,681.02**	1,706,336,185.27
	(II) Net profit from discontinued operations (with "-" for net loss)		**–**	–

PARENT COMPANY'S STATEMENT OF PROFIT OR LOSS (CONTINUED)

30 June 2026

Item			Note XX	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
V.	Other comprehensive income, net of tax			**-761,220.63**	-91,628.63
	(I)	Other comprehensive income that may not be reclassified into profit or loss		**–**	–
		1. Changes of re-measurement of defined benefit plans		**–**	–
		2. Other comprehensive income that cannot be transferred to profit or loss under equity method		**–**	–
		3. Changes in fair value of other equity instrument investments		**–**	–
		4. Changes in fair value of the Company's own credit risk		**–**	–
	(II)	Other comprehensive income that will be reclassified into profit or loss		**-761,220.63**	-91,628.63
		1. Other comprehensive income that can be transferred to profit or loss under equity method		**–**	–
		2. Changes in fair value of other debt investments		**–**	–
		3. Amount of financial assets reclassified to other comprehensive income		**–**	–
		4. Provision for credit impairment of other debt investments		**–**	–
		5. Hedging reserve arising from cash flows		**–**	–
		6. Exchange differences on translation of foreign operations		**-761,220.63**	-91,628.63
		7. Others		**–**	–
VI.	Total comprehensive income			**1,912,976,460.39**	1,706,244,556.64
VII.	Earnings per share:				
	(I)	Basic earnings per share (RMB/share)		**–**	–
	(II)	Diluted earnings per share (RMB/share)		**–**	–

Person-in-charge of the Company: LOU Qiliang

Chief Financial Officer: LI Lianqing

Head of Accounting Department: LIU Huafeng

CONSOLIDATED STATEMENT OF CASH FLOWS

30 June 2026

Unit: Yuan Currency: RMB

Item		Note VII	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I.	**Cash flows generated from operating activities:**			
	Cash received from the sale of goods or rendering of services		**14,936,161,091.68**	14,899,841,102.46
	Net increase in customer deposits received and interbank deposits		**-363,167,641.40**	-2,503,569,849.97
	Net increase in borrowings from central bank		**–**	–
	Net increase in placements from other financial institutions		**–**	–
	Cash received from original insurance contract premium		**–**	–
	Net cash received from reinsurance business		**–**	–
	Net increase in savings and investment funds		**–**	–
	Interests, service charges and commission received		**56,964,441.50**	53,546,074.04
	Net increase in placements from banks and other financial institutions		**–**	–
	Net increase in returned business capital		**-17,022,941.66**	–
	Net cash received from accounts payables to brokerage clients		**–**	–
	Refunds of tax		**91,145,027.93**	220,597,551.72
	Cash received relating to other operating activities	(LXXX)	**777,483,973.65**	665,735,301.06
	Subtotal of cash inflows from operating activities		**15,481,563,951.70**	13,336,150,179.31
	Cash paid for goods and services		**10,729,606,980.93**	12,301,565,215.13
	Net increase in loans and advances to customers		**–**	–
	Net increase in deposits with the central bank and interbank funds		**-9,024,755.57**	-147,112,768.29
	Cash paid for compensation payments under original insurance contracts		**–**	–
	Net increase in placements with banks and other financial institutions		**–**	–
	Interests, service charges and commission paid		**583,621.95**	1,161,300.71
	Cash paid for bonus of guarantee slip		**–**	–
	Cash paid to and on behalf of employees		**2,588,944,085.68**	2,507,893,316.78
	Cash paid for all taxes		**1,431,471,403.24**	1,496,526,620.16
	Cash paid relating to other operating activities	(LXXX)	**1,547,304,204.54**	1,581,552,802.50
	Subtotal of cash outflows from operating activities		**16,288,885,540.77**	17,741,586,486.99
Net cash flows generated from operating activities			**-807,321,589.07**	-4,405,436,307.68

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

30 June 2026

Item		Note VII	For the six months ended 30 June 2026	For the six months ended 30 June 2025
II.	**Cash flows generated from investing activities:**			
	Cash received from disposal of investments		**–**	–
	Cash received from return on investment		**10,633,355.42**	26,194,433.78
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**760,982.29**	174,654.43
	Net cash from disposal of subsidiaries and other operating units		**–**	–
	Cash received relating to other investing activities	(LXXX)	**–**	752,985,021.80
	Subtotal of cash inflows from investing activities		**11,394,337.71**	779,354,110.01
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		**164,306,418.79**	221,592,357.14
	Cash paid for investments		**71,911,836.31**	419,524,700.00
	Net increase in pledged loans		**–**	–
	Net cash paid on acquisition of subsidiaries and other operating units		**–**	–
	Cash paid relating to other investing activities	(LXXX)	**1,825,420,000.00**	42,706,400.00
	Subtotal of cash outflows from investing activities		**2,061,638,255.10**	683,823,457.14
Net cash flows generated from investing activities			**-2,050,243,917.39**	95,530,652.87

Item		Note VII	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
III.	**Cash flows generated from financing activities:**			
	Cash received as capital contributions		**87,361,000.00**	8,250,000.00
	Including: Cash received by subsidiaries from minority shareholders' investment		**87,361,000.00**	8,250,000.00
	Cash received from borrowings		**198,448,161.86**	2,901,383,926.07
	Cash received relating to other financing activities	(LXXX)	**50,000,000.00**	150,000,000.00
	Subtotal of cash inflows from financing activities		**335,809,161.86**	3,059,633,926.07
	Cash paid on repayments of borrowings		**160,326,506.98**	51,270,000.00
	Cash paid for distribution of dividends or profits and for interest expenses		**117,773,157.72**	88,036,153.50
	Including: Dividend and profit of minority shareholder paid by subsidiaries		**1,808,636.40**	4,450,169.80
	Cash paid relating to other financing activities	(LXXX)	**202,455,739.63**	209,082,373.20
	Subtotal of cash outflows from financing activities		**480,555,404.33**	348,388,526.70
Net cash flows generated from financing activities			**-144,746,242.47**	2,711,245,399.37
IV.	**Effect of fluctuations in exchange rate on cash and cash equivalents**		**-2,507,970.26**	4,956,992.87
V.	**Net increase in cash and cash equivalents**	(LXXXI)	**-3,004,819,719.19**	-1,593,703,262.57
	Add: Balance of cash and cash equivalents at the beginning of the period	(LXXXI)	**15,162,434,014.59**	16,405,869,676.39
VI.	**Balance of cash and cash equivalents at the end of the period**	(LXXXI)	**12,157,614,295.40**	14,812,166,413.82

Person-in-charge of the Company:	Chief Financial Officer:	Head of Accounting Department:
LOU Qiliang	LI Lianqing	LIU Huafeng

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

30 June 2026

Unit: Yuan Currency: RMB

Item		Note VII	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I.	**Cash flows generated from operating activities:**			
	Cash received from the sale of goods or rendering of services		**784,416,571.28**	859,440,356.75
	Refunds of tax		**418,344.24**	8,831,841.77
	Cash received relating to other operating activities		**178,594,899.03**	211,677,921.39
	Subtotal of cash inflows from operating activities		**963,429,814.55**	1,079,950,119.91
	Cash paid for goods and services		**566,503,169.03**	994,754,029.48
	Cash paid to and on behalf of employees		**72,711,772.21**	80,378,012.46
	Cash paid for all taxes		**28,120,738.59**	36,630,872.50
	Cash paid relating to other operating activities		**425,670,431.88**	297,890,150.05
	Subtotal of cash outflows from operating activities		**1,093,006,111.71**	1,409,653,064.49
Net cash flows generated from operating activities			**-129,576,297.16**	-329,702,944.58
II.	**Cash flows generated from investing activities:**			
	Cash received from disposal of investments			
	Cash received from return on investment		**858,546,500.00**	21,394,433.78
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**–**	93,099.96
	Net cash from disposal of subsidiaries and other operating units		**–**	–
	Cash received relating to other investing activities		**450,515,806.82**	1,283,643,285.12
	Subtotal of cash inflows from investing activities		**1,309,062,306.82**	1,305,130,818.86
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		**3,105,890.45**	41,790,606.60
	Cash paid for investments		**82,111,836.31**	250,000,000.00
	Net cash paid on acquisition of subsidiaries and other operating units		**–**	–
	Cash paid relating to other investing activities		**1,038,472,939.52**	1,486,478,734.35
	Subtotal of cash outflows from investing activities		**1,123,690,666.28**	1,778,269,340.95
Net cash flows generated from investing activities			**185,371,640.54**	-473,138,522.09

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY (CONTINUED)

30 June 2026

Item		Note VII	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
III.	**Cash flows generated from financing activities:**			
	Cash received as capital contributions		**–**	–
	Cash received from borrowings		**–**	2,500,000,000.00
	Cash received relating to other financing activities		**7,529,169.61**	16,900,000.00
	Subtotal of cash inflows from financing activities		**7,529,169.61**	2,516,900,000.00
	Cash paid on repayments of borrowings			2,000,000,000.00
	Cash paid for distribution of dividends or profits and for interest expenses		**50,757,777.76**	30,995,416.66
	Cash paid relating to other financing activities		**–**	–
	Subtotal of cash outflows from financing activities		**50,757,777.76**	2,030,995,416.66
Net cash flows generated from financing activities			**-43,228,608.15**	485,904,583.34
IV.	**Effect of fluctuations in exchange rate on cash and cash equivalents**		**-453,716.74**	-405,104.16
V.	**Net increase in cash and cash equivalents**		**12,113,018.49**	-317,341,987.49
	Add: Balance of cash and cash equivalents at the beginning of the period		**6,267,026,246.30**	5,302,768,166.35
VI.	**Balance of cash and cash equivalents at the end of the period**		**6,279,139,264.79**	4,985,426,178.86

Person-in-charge of the Company:
LOU Qiliang

Chief Financial Officer:
LI Lianqing

Head of Accounting Department:
LIU Huafeng

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

30 June 2026

Unit: Yuan Currency: RMB

Item	For the six months ended 30 June 2026														
	Equity attributable to owners of the parent Company														
		Other equity instruments													
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Subtotal	Minority shareholder interests	Total owners' equity
I. Closing balance of last year	10,589,819,000.00	-	2,500,000,000.00	-	15,960,437,437.48	-	-360,257,233.13	397,214,776.82	2,694,162,333.16	167,899,693.10	17,893,791,270.92	-	49,843,067,278.35	2,627,784,477.36	52,470,851,755.71
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	10,589,819,000.00	-	2,500,000,000.00	-	15,960,437,437.48	-	-360,257,233.13	397,214,776.82	2,694,162,333.16	167,899,693.10	17,893,791,270.92	-	49,843,067,278.35	2,627,784,477.36	52,470,851,755.71
III. In crease/(decrease) during the period (with "-" for decrease)	-	-	-	-	386,973.86	-	-5,608,105.88	-3,368,983.03	-	-	-338,788,213.47	-	-347,378,328.52	319,238,589.43	-28,139,739.09
(I) Total comprehensive income	-	-	-	-	-	-	-5,608,105.88	-	-	-	1,473,454,789.53	-	1,467,846,683.65	226,217,467.00	1,694,064,150.65
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	14,426.05	-	-	-	-	-	-11,973,773.00	-	-11,959,346.95	99,310,912.99	87,351,566.04
1. Common shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-		-	87,361,000.00	87,361,000.00
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-		-	-	-
3. Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-	-		-	-	-
4. Others	-	-	-	-	14,426.05	-	-	-	-	-	-11,973,773.00	-	-11,959,346.95	11,949,912.99	-9,433.96
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-	-1,800,269,230.00	-9,682,290.32	-1,809,951,520.32
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	-	-		-	-	-
2. Accrual of general risk reserve	-	-	-	-	-	-	-	-	-	-	-		-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-	-1,800,269,230.00	-9,682,290.32	-1,809,951,520.32
4. Others	-	-	-	-	-	-	-	-	-	-	-		-	-	-

Item	For the six months ended 30 June 2026														
	Equity attributable to owners of the parent Company														
		Other equity instruments													
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Subtotal	Minority shareholder interests	Total owners' equity
(IV) Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-		-	-	-
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-		-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-		-	-	-
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-		-	-	-
4. Changes in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-		-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-		-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-		-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-3,368,983.03	-	-	-	-	-3,368,983.03	3,392,499.76	23,516.73
1. Appropriated in current period	-	-	-	-	-	-	-	89,159,107.20	-	-	-	-	89,159,107.20	7,486,346.86	96,645,454.06
2. Use in current period	-	-	-	-	-	-	-	-92,528,090.23	-	-	-	-	-92,528,090.23	-4,093,847.10	-96,621,937.33
(6) Others	-	-	-	-	372,547.81	-	-	-	-	-	-		-	372,547.81	-372,547.81
IV. Closing balance during the period	10,589,819,000.00	-	2,500,000,000.00	-	15,960,824,411.34	-	-365,865,339.01	393,845,793.79	2,694,162,333.16	167,899,693.10	17,555,003,057.45	-	49,495,688,949.83	2,947,023,066.79	52,442,712,016.62

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

30 June 2026

For the six months ended 30 June 2025

Item	Equity attributable to owners of the parent Company													Minority shareholder interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Subtotal		
		Preference shares	Perpetual bonds	Others											
I. Closing balance of last year	10,589,819,000.00	-	2,500,000,000.00	-	15,959,738,219.63	-	-300,033,350.13	348,771,551.18	2,482,496,646.28	101,496,079.94	16,342,719,229.07	-	48,025,007,375.97	2,410,794,949.79	50,435,802,325.76
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	10,589,819,000.00	-	2,500,000,000.00	-	15,959,738,219.63	-	-300,033,350.13	348,771,551.18	2,482,496,646.28	101,496,079.94	16,342,719,229.07	-	48,025,007,375.97	2,410,794,949.79	50,435,802,325.76
III. Increase/(decrease) during the period (with "-" for decrease)	-	-	-	-	474,718.31	-	5,264,631.25	-7,040,056.29	-	64,834,276.54	-244,593,732.14	-	-181,060,162.33	243,619,627.20	62,559,464.87
(I) Total comprehensive income	-	-	-	-	-	-	5,264,631.25	-	-	-	1,620,509,774.40	-	1,625,774,405.65	241,274,284.06	1,867,048,689.71
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	474,718.31	-	-	-	-	-	-	-	474,718.31	8,250,000.00	8,724,718.31
1. Common shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	8,250,000.00	8,250,000.00
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	474,718.31	-	-	-	-	-	-	-	474,718.31	-	474,718.31
(III) Profit distribution	-	-	-	-	-	-	-	-	-	64,834,276.54	-1,865,103,506.54	-	-1,800,269,230.00	-6,859,545.67	-1,807,128,775.67
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Accrual of general risk reserve	-	-	-	-	-	-	-	-	-	64,834,276.54	-64,834,276.54	-	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-	-1,800,269,230.00	-6,859,545.67	-1,807,128,775.67
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

30 June 2026

For the six months ended 30 June 2025

Item	Equity attributable to owners of the parent Company														
		Other equity instruments													
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Subtotal	Minority shareholder interests	Total owners' equity
(IV) Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-7,040,056.29	-	-	-	-	-7,040,056.29	954,888.81	-6,085,167.48
1. Appropriated in current period	-	-	-	-	-	-	-	88,077,149.04	-	-	-	-	88,077,149.04	6,631,639.86	94,708,788.90
2. Use in current period	-	-	-	-	-	-	-	95,117,205.33	-	-	-	-	95,117,205.33	5,676,751.05	100,793,956.38
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Closing balance during the period	10,589,819,000.00	-	2,500,000,000.00	-	15,960,212,937.94	-	-294,768,718.88	341,731,494.89	2,482,496,646.28	166,330,356.48	16,098,125,496.93	-	47,843,947,213.64	2,654,414,576.99	50,498,361,790.63

Person-in-charge of the Company:
Lou Qiliang

Chief Financial Officer:
Li Lianqing

Head of Accounting Department:
LIU Huafeng

PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

30 June 2026

Unit: Yuan Currency: RMB

Item	For the six months ended 30 June 2026										
		Other equity instruments									
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
I. Closing balance of last year	10,589,819,000.00	-	2,500,000,000.00	-	16,475,988,505.31	-	-15,862,065.45	20,810,427.82	2,694,162,333.16	2,239,878,314.26	34,504,796,515.10
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	10,589,819,000.00	-	2,500,000,000.00		16,475,988,505.31	-	-15,862,065.45	20,810,427.82	2,694,162,333.16	2,239,878,314.26	34,504,796,515.10
III. In crease/(decrease) during the period (with "-" for decrease)	-	-	-	-	2,123,152,029.20	-	-761,220.63	-4,261,969.83	-	113,468,451.02	2,231,597,289.76
(I) Total comprehensive income	-	-	-	-	-	-	-761,220.63	-	-	1,913,737,681.02	1,912,976,460.39
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	2,123,152,029.20	-	-	-	-	-	2,123,152,029.20
1. Common shares contributed by shareholders	-	-	-	-	2,123,152,029.20	-	-	-	-	-	2,123,152,029.20
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-1,800,269,230.00
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-1,800,269,230.00
3. Others	-	-	-	-	-	-	-	-	-	-	-

PARENT COMPANY’S STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY (CONTINUED)

30 June 2026

Item	For the six months ended 30 June 2026										
		Other equity instruments									
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners’ equity
(IV) Internal transfer of owners’ equity	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-
4. Changes in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-4,261,969.83	-	-	-4,261,969.83
1. Appropriated in current period	-	-	-	-	-	-	-	3,085,810.30	-	-	3,085,810.30
2. Use in current period	-	-	-	-	-	-	-	-7,347,780.13	-	-	-7,347,780.13
(6) Others	-	-	-	-	-	-	-	-	-	-	-
IV. Closing balance during the period	10,589,819,000.00	-	2,500,000,000.00	-	18,599,140,534.51	-	-16,623,286.08	16,548,457.99	2,694,162,333.16	2,353,346,765.28	36,736,393,804.86

PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

30 June 2026

For the six months ended 30 June 2025

Item	Paid-in capital (or share capital)	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
I. Closing balance of last year	10,589,819,000.00	-	2,500,000,000.00	-	16,475,484,417.81	-	-16,955,100.80	17,065,439.52	2,482,496,646.28	2,192,156,362.38	34,240,066,765.19
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	10,589,819,000.00	-	2,500,000,000.00	-	16,475,484,417.81	-	-16,955,100.80	17,065,439.52	2,482,496,646.28	2,192,156,362.38	34,240,066,765.19
III. Increase/(decrease) during the period (with "-" for decrease)	-	-	-	-	3,085,287.50	-	-91,628.63	-1,212,899.79	-	-93,933,044.73	-92,152,285.65
(I) Total comprehensive income	-	-	-	-		-	-91,628.63	-	-	1,706,336,185.27	1,706,244,556.64
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	3,085,287.50	-	-	-	-	-	3,085,287.50
1. Common shares contributed by shareholders	-	-	-	-	2,976,042.21	-	-	-	-	-	2,976,042.21
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	109,245.29	-	-	-	-	-	109,245.29
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-1,800,269,230.00
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-1,800,269,230.00
3. Others	-	-	-	-	-	-	-	-	-	-	-

PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

30 June 2026

Item	For the six months ended 30 June 2025										
		Other equity instruments									
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
(IV) Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-
4. Changes in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-1,212,899.79	-	-	-1,212,899.79
1. Appropriated in current period	-	-	-	-	-	-	-	8,376,992.53	-	-	8,376,992.53
2. Use in current period	-	-	-	-	-	-	-	9,589,892.32	-	-	9,589,892.32
(VI) Others	-	-	-	-	-	-	-	-	-	-	-
IV. Closing balance during the period	10,589,819,000.00	-	2,500,000,000.00	-	16,478,569,705.31	-	-17,046,729.43	15,852,539.73	2,482,496,646.28	2,098,223,317.65	34,147,914,479.54

Person-in-charge of the Company:
LOU Qiliang

Chief Financial Officer:
LI Lianqing

Head of Accounting Department:
LIU Huafeng

III. CORPORATE INFORMATION

(I) Company profile

☑ Applicable ☐ Not Applicable

China Railway Signal & Communication Corporation Limited (the "**Company**") is a joint stock company limited liability company jointly sponsored on 29 December 2010 by China Railway Signal and Communication (Group) Corporation Limited (hereinafter referred to as the "**CRSC Group**") as the promoter, in association with China National Machinery Industry Corporation, China Chengtong Holdings Group Ltd., China Reform Holdings Corporation Ltd., and CICC Jiacheng Investment Management Co., Ltd. (these four companies are collectively referred to as the "Other Promoters") approved by the State- owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) (the "**SASAC**") via Guo Zi Gai Ge [2010] No. 876 on 17 August 2010 in accordance with the relevant provisions of laws and administrative regulations of the PRC. The Company's headquarters are at 20th floor of Block A, CRSC Building, 1 Compound Automobile Museum South Road, Fengtai District, Beijing. The Company's headquarters are at 20th floor of Block A, CRSC Building, 1 Compound Automobile Museum South Road, Fengtai District, Beijing.

Upon approval of the China Securities Regulatory Commission's Reply on Issuance of Overseas Listed Foreign Shares by China Railway Signal & Communication Corporation Limited (Zheng Jian Xu Ke [2015] No. 1630), the Company has issued 1,789,819,000 H Shares with a nominal value of RMB1 each at an issue price of HK$6.30 per share that were listed on the Hong Kong Stock Exchange from July to September 2015. The total amount of funds raised before deducting the issuance expenses was approximately HK$11,275,859,700 and such H Shares commenced for trading on the Main Board of the Hong Kong Stock Exchange in August and September 2015. The Company's four state-owned shareholders, CRSC Group, China National Machinery Industry Corporation, China Chengtong Holdings Group Ltd. and China Reform Holdings Corporation Ltd., converted a total of 178,982,000 state-owned legal person shares to H Shares during August and September 2015, which were then transferred to the National Council for Social Security Fund of the People's Republic of China.

According to the China Securities Regulatory Commission's Approval for Consent to the Registration of China Railway Signal & Communication Corporation Limited's Initial Public Offering (Zheng Jian Xu Ke [2019] No. 1135), as of 16 July 2019, the Company has issued 1,800,000,000 ordinary shares with a nominal value of RMB1 each at an issue price of RMB5.85 per share that were listed on the Sci-Tech innovation board of the Shanghai Stock Exchange. The total amount of funds raised before deduction of issuance expenses was RMB10,530,000,000.00 and such ordinary shares were commenced for trading on the Shanghai Stock Exchange's Sci-Tech innovation board on 22 July 2019.

III. CORPORATE INFORMATION (CONTINUED)

(I) Company profile (Continued)

As of 30 June 2026, the Company has accumulatively issued a total issued share capital of 10,589,819,000 shares with the accumulated share capital amounting RMB10,589,819,000.

The Company and its subsidiaries (collectively referred to as the "**Company**") are mainly engaged in the following businesses: design and integration of rail transportation control system which mainly include the provision of comprehensive planning for investigation, design and control systems for rail transportation control system; equipment manufacturing of rail transportation control system which mainly includes production and sales of signal systems, communication systems, infrastructure equipment, information systems and other products; and system implementation services for rail transportation control system which include provision of construction, installation, testing, operation and maintenance services for rail transportation control system; and provision of services relating to municipal engineering projects and other construction projects.

The parent company and the ultimate controlling party of the Company is CRSC Group based in the PRC.

The financial statements were approved by resolution by the Board of Directors of the Company on 24 August 2026.

(II) Scope of consolidated financial statements

As of 30 June 2026, the subsidiaries of the Company within the scope of consolidated financial statements are as follows:

No.	Level	Name of subsidiary	Abbreviation of subsidiary
1	2	Beijing CRSC Research & Design Institute Group Co., Ltd.	CRSCD
2	2	CRSC Cables Company Ltd.	CRSC Cables
3	2	CRSC Jishou Huatai Pipeline Project Management Co., Ltd.	CRSC Huatai
4	2	CRSC Jishou Tengda Project Management Co., Ltd.	CRSC Tengda
5	2	CRSC (Beijing) Materials Co., Ltd.	Beijing Materials
6	2	CRSC (Xi' an) Rail Industry Group Co., Ltd.	CRSC Xi'an Industry Group

III. CORPORATE INFORMATION (CONTINUED)

(II) Scope of consolidated financial statements (Continued)

No.	Level	Name of subsidiary	Abbreviation of subsidiary
7	2	CRSC (Changsha) Rail Transit Control Technology Company Limited	CRSC Changsha Railway
8	2	Tonghao (Zhengzhou) Electrification Bureau Group Co., Ltd.	Electrification Bureau
9	2	CASCO Signal Co., Ltd.	CASCO
10	2	CRSC International Company Limited	CRSC International
11	2	CRSC (Jiangsu) Smart City Construction & Development Co., Ltd.	CRSC Jiangsu Smart
12	2	CRSC Innovation Investment Co., Ltd.	Innovation Investment
13	2	CRSC Engineering Group Company Ltd.	CRSCE
14	2	CRSC Construction Group Co., Ltd.	CRSC Construction
15	2	CRSC Communication & Information Group Company Ltd.	CRSCC
16	2	CRSC Urban Rail Transit Technology Co., Ltd.	Urban Rail Transit
17	2	China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd.	Shanghai Engineering Bureau
18	2	CRSC Group Finance Limited	CRSC Finance
19	2	CRSC Low-Altitude Intelligent Technology Co., Ltd.	CRSC Low-Altitude Intelligent
20	2	CRSC (Suzhou) Transportation Technology Co., Ltd.	CRSC Suzhou
21	2	Shenyang Railway Signal Co., Ltd.	Shenyang Railway Signal
22	2	Shanghai Railway Communication Co., Ltd.	Shanghai Railway Communication

For relevant details of subsidiaries of the Company, please refer to Note "X. Interests in Other Entities".

For details of changes in the scope of consolidation during the Reporting Period, please refer to Note "IX. Changes on Scope of Consolidation".

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(I) Basis of preparation

The Company prepares financial statements in accordance with the Accounting Standards for Business Enterprises – Basic Standards and all the specific accounting standards, Application Guidance to the Accounting Standards for Business Enterprises, the interpretation of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as the "Accounting Standards for Business Enterprises"), as well as the relevant provisions of the Rules for the Compilation and Submission of Information Disclosure by Companies Offering Securities to the Public No.15 – General Requirements for Financial Reports issued by the China Securities Regulatory Commission. Furthermore, the financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

(II) Going concern

☑ Applicable ☐ Not Applicable

The financial statements are prepared on a going concern basis.

It is evaluated that the Company has no significant event, which may raise any serious doubt about the going-concern ability, within 12 months from the end of the reporting period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Tips for specific accounting policies and accounting estimates:

☑ Applicable ☐ Not Applicable

The following disclosures have covered the specific accounting policies and estimates formulated by the Company according to its actual production and operation features.

(I) Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements meet the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated and the company's financial position of the Company as at June 30, 2026, and the consolidated and the company's financial performance and cash flows from January to June in 2026.

(II) Accounting period

The accounting year is from January 1 to December 31 in calendar year.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(III) Operating cycle

☑ Applicable ☐ Not Applicable

The Company's operating cycle is 12 months.

(IV) Functional currency

RMB is adopted as the Company's functional currency.

(V) Method for determining materiality criteria and selection basis

☑ Applicable ☐ Not Applicable

Item	Materiality criteria
Material accounts receivable with bad debt provision on individual basis	Individual accounts receivable and other receivables exceed 1% of net assets.
Material accounts payable aged over 1 year or overdue	Top five accounts payable with aging over one year or overdue
Material contract liabilities aged over 1 year	Top five contract liabilities with aging over one year
Other material payables aged over 1 year	Top five other payables with aging over one year
Material construction in progress	Cumulative investment amount in a single project exceeding RMB100 million
Cash received from material investing activities	Individual investment amount exceeding 1% of net assets
Cash payments relating to material investing activities	Individual investment amount exceeding 1% of net assets
Significant non-wholly owned subsidiaries	Net assets of a subsidiary exceeding 3% of the Group's net assets
Significant joint ventures or associates	Long-term equity investment in a single investee exceeding 1% of net assets

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VI) Accounting treatment methods for business combinations under and not under common control

☑ Applicable ☐ Not Applicable

Business combination under common control: Assets and liabilities acquired from business combination by the acquirer (including the goodwill formed by the ultimate controller's acquisition of the acquiree) are measured at the carrying amount of assets and liabilities of the acquiree in the financial statements of the ultimate controller on the combination date. Capital stock premium in the capital reserves should be adjusted according to the difference between the carrying amount of net asset acquired from the combination and that of consideration (total face value of the shares issued) paid for the combination. In case the capital stock premium is not enough, the retained earnings need to be adjusted.

For the business combination not under common control, the combination costs are the fair value, on the acquisition date, of any assets acquired, any liabilities incurred or assumed, and any equity securities issued by the acquirer, in exchanges for the right of control over the acquiree. The Company shall recognize the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill. The Company shall recognize the difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree in the current profit or loss. The identifiable assets, liabilities and contingent liabilities of the acquiree that are obtained from combination and satisfying the recognition criteria shall be measured at their fair values.

Direct expenses arising from the business combination shall be included in current profit or loss on the occurrence date. Transaction expenses on equity or debt securities issued by the acquirer for the purpose of the combination consideration shall be included in the initially recognized amount of equity or debt securities.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VII) Judgment criteria of control and preparation method of consolidated financial statements

☑ Applicable ☐ Not Applicable

1. *Judgment criteria of control*

The scope of consolidation for the consolidated financial statements of the Company is determined based on control, including the Company and all its subsidiaries. Control means the Company has the power over the investee and enjoys the variable return through participating in activities related to the investee, and has the ability to the Company's return by using the power over the investee.

2. *Consolidation procedure*

The Company deems the whole enterprise group as a single accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial position, operating results and cash flows. The influence of internal transactions between the Company and its subsidiaries and between subsidiaries shall be offset. When internal trading indicates that related assets are impaired, they will be fully recognized. If the accounting policy and the accounting period adopted by a subsidiary are inconsistent with that of the Company, in preparing consolidated financial statements, necessary adjustments shall be made in accordance with the Company's accounting policy and accounting period.

The share of shareholders' equity, current net profit or loss, and current comprehensive income of subsidiaries attributable to non-controlling interests shall be respectively and separately listed in the shareholders' equity of the consolidated balance sheet, the net profit and the total comprehensive income item of the consolidated income statement. If the share of the current losses attributable to the non-controlling interests of a subsidiary exceeds the share of the shareholders' equity attributable to non-controlling interests of the subsidiary at the beginning of the period, the balance is allocated against the non-controlling interests.

(1) Increase of subsidiaries or business

During the reporting period, if a subsidiary or business is included as a result of a business combination under the same control, the operating results and cash flows of the subsidiary or business combination from the beginning of the period to the end of the reporting year are included in the consolidated financial statements, while the beginning of the consolidated financial statements and the related items in the comparative statements are adjusted as if the consolidated reporting entity had existed since the point when the ultimate controller began to control it.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VII) Judgment criteria of control and preparation method of consolidated financial statements (Continued)

2. *Consolidation procedure (Continued)*

(1) *Increase of subsidiaries or business (Continued)*

If the Company is able to exercise control over an investee under the same control due to additional investment, etc., equity investments held before the control over the combine is obtained, the related gains and losses, other comprehensive income as well as other changes in net assets recognized from the later of the date when the original equity is obtained or the date when the acquirer and the acquiree are under the same control, to the combination date will respectively write down the retained earnings or current profit or loss in the comparative statements.

During the reporting period, if the Company acquires subsidiaries or business from the business combination not under common control, such subsidiaries or business shall be included in consolidated financial statements from the acquisition date at the fair value of identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

If there is control over the investee not under the common control due to additional investments or other reasons, for the equity of the acquiree held before the acquisition date, the Company will re-measure the equity on the acquisition date at its fair value and include the difference between the fair value and carrying amount in current investment income. Other comprehensive income and other changes in shareholders' equity under the equity method that are involved in the equity of the acquiree held prior to the acquisition date and can be reclassified into profit or loss later are transferred to investment income of the period to which the acquisition date belongs.

(2) *Disposal of subsidiaries*

① General method of disposal

For the remaining equity investments after the disposal, the Company will re-measure the same at the fair value on the date when it loses control over the investee due to disposal of partial equity investment or other reasons. The sum of the consideration of equity disposal and the fair value of the remaining equity, less the sum of the share of net assets of the subsidiary attributable to the Company calculated continuously since the acquisition date or the combination date according to the original shareholding ratio and the goodwill, shall be included in the investment income for this period when the control is lost. Other comprehensive income and other changes in shareholders' equity under the equity method that are related to the equity investment of original subsidiaries and can be reclassified into profit or loss later are transferred to investment income for this period upon the loss of control power.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VII) Judgment criteria of control and preparation method of consolidated financial statements (Continued)

2. Consolidation procedure (Continued)

(2) Disposal of subsidiaries (Continued)

② Disposal of subsidiaries by stages

Where the Company disposes the equity investments in subsidiary through multiple transactions and by stages until it loses the control, if the effect of the disposal on the terms and conditions of all transactions of equity investments in subsidiary and economic effect meet one or more of the following circumstance, it usually indicates that the multiple transactions should be accounted for as a package deal:

i. The transactions are concluded at the same time or under the consideration of mutual effect;

ii. The transactions as a whole can reach a complete business result;

III. The occurrence of a transaction depends on that of at least one other transactions;

IV. A single transaction is uneconomical but it is economical when considered together with other transactions.

If the transactions for the disposal of equity investment in subsidiaries that leads to the loss of control are under a package of transactions, the Company treats all such transactions as one transaction through which the Company disposes of its equity in the subsidiary and loses its control over such subsidiary; the difference between the proceeds from each transaction before the Company loses its control over the subsidiary and the corresponding share in the net assets of the subsidiary of the disposed-of investment shall be recognized as other comprehensive income in the consolidated financial statements, and shall be included into the loss and profit in this period when the Company loses its control over the subsidiary.

If the transactions are not package transactions, before the control loses, related policies governing the partial disposal of equity investments in subsidiaries without losing control will apply; when the control loses, general accounting method for the disposal of subsidiaries will govern.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VIII) Classification of joint venture arrangements and accounting treatment methods of joint operation

☑ Applicable ☐ Not Applicable

Joint venture arrangements are classified into joint operation and joint venture.

Joint operation refers to those joint venture arrangements under which the joint venturer is entitled to relevant assets and be responsible for relevant liabilities.

The Company recognizes the following items relating to the interests share in joint operation:

(1) Assets it solely holds and its share of jointly-held assets based on its percentage;

(2) Liabilities it solely assumes and its share of jointly-assumed liabilities based on its percentage;

(3) Incomes from sale of output enjoyed by it from the joint operation;

(4) Income from selling the production of the joint operation recognized based on the shares held by the Company；

(5) Separate costs and costs for the joint operation based on the shares held by the Company.

The Company's investments in its joint ventures are calculated under the equity method. For details, please refer to "Note V. (XIX) Long-term equity investments".

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(IX) Recognition criteria of cash and cash equivalents

Cash refers to the Company's cash on hand and the unrestricted deposits. Cash equivalents refer to the short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(X) Foreign currency transactions and translation of foreign currency financial statements

☑ Applicable ☐ Not Applicable

1. Foreign currency transactions

Foreign currency transactions are converted into RMB for recording purpose at the spot exchange rate prevailing on the transaction date.

The balance of foreign currency monetary items as at the balance sheet date are translated at the spot exchange rate on the balance sheet date and the exchange differences arising therefrom shall be included in the current profit or loss, except those exchange differences arising from the special borrowings of foreign currency related to the acquired and constructed assets qualified for capitalization that will be capitalized at the borrowing expenses.

2. Conversion of foreign currency financial statements

The assets and liability items in the balance sheet shall be converted at the spot exchange rates on the balance sheet date. For shareholders' equity items, except for the item of "retained earnings", other items are translated at the spot exchange rates when the transactions occur. The income and expenses in the income statement are translated at the spot exchange rate prevailing on the date when transactions occur.

Where the Company disposes of an overseas business, it shall transfer the exchange difference relating to the overseas business to the current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Financial instruments

☑ Applicable ☐ Not Applicable

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability or an equity instrument.

1. Classification

Based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Company classifies upon initial recognition financial assets into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through current profit or loss.

The Company classifies financial assets that are not designated as those measured at fair value through current profit or loss as financial assets measured at amortized cost if they both meet the following conditions:

– A business model is to collect contractual cash flows;

– The contractual terms are only payments of principal and interest based on the outstanding principal.

The Company classifies as financial assets at fair value through other comprehensive income financial assets (debt instruments) that are not designated those measured at fair value through current profit or loss if they meet the following criteria:

– The business model is both to collect the contractual cash flows and to sell the financial asset;

– The contractual terms are only payments of principal and interest based on the outstanding principal.

For investments in equity instrument not held for trading, the Company will upon initial recognition designate them as financial assets (equity instrument) measured at fair value through other comprehensive income. This designation is made on an individual investment basis and the related investment meets the definition of an equity instrument from the perspective of the issuer.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Financial instruments (Continued)

1. Classification (Continued)

The Company classifies financial assets except financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, as financial assets measured at fair value through current profit or loss. On initial recognition, if it can eliminate or significantly reduce accounting mismatch, the Company irrevocably designates some financial assets that should be measured at amortized cost or at fair value through other comprehensive income as financial assets at fair value through current profit or loss.

Financial liabilities at their initial recognition, are divided into the financial liabilities measured at fair value through current profit or loss and financial liabilities measured at amortized cost.

Financial liabilities meeting one of the following conditions can, at the time carrying out the initial recognition, be designated to the financial liabilities measured at fair value through the current profit or loss:

1) The designation eliminates or significantly reduces accounting mismatches.

2) Management and performance evaluation of the financial liability portfolio or portfolio of financial assets and financial liabilities on a fair value basis in accordance with the enterprise risk management or investment strategy as set out in a formal written document, and reporting to key officers on this basis within the Company.

3) The financial liability contains embedded derivative needed to be separated.

2. Recognition basis and measurement method

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, and debt investments, etc., which are initially measured at fair value, and related transaction expenses are included in the amount upon initial recognition; accounts receivable that do not contain a significant financing component and that the Company decides not to consider those with a financing component not exceeding one year are initially measured at the contract transaction price.

During the holding period, the interest calculated with the effective interest method shall be included in the current profit or loss.

Upon recovery or disposal, the difference between the purchase price obtained and the carrying amount of such financial asset is included in current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Financial instruments (Continued)

2. *Recognition basis and measurement method (Continued)*

(2) Financial assets (debt instruments) measured at fair value through other comprehensive income

Financial assets (debt instruments) measured at fair value through other comprehensive income include financing of accounts receivable, other debt investments, etc., which are initially measured at fair value, and related transaction expenses are included in the initial recognition amount. The financial assets are subsequently measured at fair value. Changes in fair value, except for interest calculated with the effective interest method, impairment or gains and exchange gains and losses, shall be included in other comprehensive income.

At derecognition, the accumulated gains or losses previously included in other comprehensive income will be transferred from the other comprehensive income to current profit or loss.

(3) Financial assets (equity instruments) measured at fair value through other comprehensive income

Financial assets (equity instruments) measured at fair value through other comprehensive income, including investments in other equity instruments are initially measured at fair value, and related transaction expenses are included in the initial recognition amount. The financial assets are subsequently measured at fair value. Changes in fair value shall be included in other comprehensive income. The dividends obtained are included in the current profit or loss.

When a financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in retained earnings.

(4) Financial assets measured at fair values through current profit or loss

Financial liabilities measured at fair value through current profit or loss include financial liabilities held for trading, derivative financial liabilities and other non-current financial assets, and are measured at fair value upon initial recognition, with the related transaction expenses being included into current profit or loss. The financial assets are subsequently measured at fair value. Changes in fair value shall be included in current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Financial instruments (Continued)

2. Recognition basis and measurement method (Continued)

(5) Financial liabilities measured at fair value through current profit or loss

Financial liabilities measured at fair value through current profit or loss include financial liabilities held for trading, derivative financial liabilities etc., which are initially measured at fair value, and related transaction expenses are included in current profit or loss. The financial liabilities are subsequently measured at fair value. Changes in fair value shall be included in current profit or loss.

Difference between the fair value and the consideration paid is included in investment income upon derecognition.

(6) Financial liabilities measured at amortized cost

Financial assets measured at amortized cost include short-term borrowings, notes receivable, accounts receivable, other receivables, long-term borrowings, bonds payable, long-term payables, etc., which are initially measured at fair value, and related transaction expenses are included in the amount upon initial recognition.

During the holding period, the interest calculated with the effective interest method shall be included in the current profit or loss.

Difference between the consideration paid and the fair value of such financial liabilities is included in current profit or loss upon derecognition.

3. Recognition basis and measurement method of derecognition and transfer of financial assets

The Company will terminate the recognition of the financial assets if:

– Where the contractual rights for collecting the cash flow of the said financial asset are terminated;

– The financial asset has been transferred, and nearly all the risks and rewards associated with ownership of the financial assets have been transferred to the transferee;

– The financial asset has been transferred and the company has neither transferred nor retained nearly all the risks and rewards associated with the ownership of the financial asset but does not retain the control over the financial asset.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Financial instruments (Continued)

3. Recognition basis and measurement method of derecognition and transfer of financial assets (Continued)

In the event of a transfer of financial asset, the Company shall not de-recognize the financial asset if nearly all the risks and rewards associated with the ownership of the financial assets are retained.

The principle of substance over form is adopted to determine whether a financial asset meets the above de-recognition conditions for the financial asset.

The transfer of a financial asset of the Company is classified into the entire transfer and the partial transfer of financial asset. If the entire transfer of financial asset satisfies the criteria for de-recognition, the difference between the amounts of the following two items shall be included in the current profit or loss:

(1) The carrying amount of the financial asset transferred;

(2) The sum of the consideration received from the transfer and the accumulated amount of the changes in fair value originally and directly included in shareholders' equity (where the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income is involved).

If the partial transfer of financial asset satisfies the criteria for derecognition, the entire carrying amount of the transferred financial asset shall be split into the derecognized and recognized parts according to their respective fair values and the difference between the amounts of the following two items shall be included in the current profit or loss:

(1) The carrying amount of derecognized part;

(2) The sum of the consideration received from the derecognition and the amount of the derecognized part in the accumulated amount of the changes in fair value originally and directly included in shareholders' equity (where the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income is involved).

Where the financial assets transfer does not meet the derecognition conditions, the financial asset will be recognized and the consideration received is recognized as a financial liability.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Financial instruments (Continued)

4. Derecognition of financial liabilities

A financial liability shall be wholly or partly derecognized if its present obligations are wholly or partly dissolved. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liabilities with any new financial liability, and the new financial liability is substantially different from the contractual stipulations regarding the existing financial liability, it shall derecognize the existing financial liability, and recognize a new one at the same time.

Where substantive changes are made to the contractual terms of an existing financial liability in whole or in part, the existing financial liability or part thereof will be derecognized, and the financial liability the terms of which have been modified will be recognized as a new financial liability.

Where financial liabilities are de-recognized in whole or in part, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including non-cash assets transferred out or new financial liabilities borne) shall be included in the current profit or loss.

Where the Company repurchases part of a financial liability, the entire carrying amount of the financial liability shall be split into the derecognized part and continuously-recognized part according to their respective relatively fair values on the repurchase date. The difference between the carrying amount of the derecognized part and the consideration paid (including non-cash assets surrendered or new financial liabilities assumed) shall be included in the current profit or loss.

5. Determination method for the fair value of financial assets and financial liabilities

Fair value of a financial instrument having an active market is determined on the basis of quoted prices in the active market. The fair value of a financial instrument, for which there is no active market, is determined by using valuation techniques. At the time of valuation, the Company adopts the valuation techniques that are applicable in the current situation and supported by enough available data and other information, selects the input values that are consistent with the features of assets or liabilities as considered by market participants in relevant asset or liability transactions, and gives priority to use relevant observable inputs. Unobservable input values are used only when relevant observable input values cannot be available or such values obtained are infeasible.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Financial instruments (Continued)

6. Testing method and accounting treatment of depreciation of financial assets

The Company adopts impairment accounting treatment based on expected credit losses for financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (debt instruments), and financial guarantee contracts, etc.

The Company considers reasonable and reliable information, including relevant past events, current conditions, and forecasts of future economic conditions, weights the probability of default, calculates the probability-weighted present value of the difference between the contractual cash flows receivable and the expected cash flows to be received, and recognizes expected credit losses.

For trade receivables and contract assets arising from transactions within the scope of Accounting Standards for Business Enterprises No. 14 – Revenue, regardless of whether they contain a significant financing component, the Company always measures the loss allowance at an amount equal to the expected credit losses over the entire contractual term.

For lease receivables arising from transactions within the scope of Accounting Standards for Business Enterprises No. 21 – Leases, the Company elects to always measure the loss allowance at an amount equal to the expected credit losses over the entire contractual term.

For other financial instruments, the Company assesses the changes in credit risk of the relevant financial instruments since initial recognition on each balance sheet date.

The Company determines the relative change in the default risk of the financial instrument over its expected life by comparing the default risk of the financial instrument on the balance sheet date with that on the initial recognition date, so as to assess whether the credit risk of the financial instrument has increased significantly since initial recognition. Generally, if a financial instrument is overdue for more than 30 days, the Company considers that the credit risk of such financial instrument has increased significantly, unless there is conclusive evidence proving that the credit risk of the financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument is low on the balance sheet date, the Company considers that the credit risk of such financial instrument has not increased significantly since initial recognition.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Financial instruments (Continued)

6. *Testing method and accounting treatment of depreciation of financial assets*

If the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to the expected credit losses over the entire contractual term of the financial instrument; if the credit risk of the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to the expected credit losses within the next 12 months of the financial instrument. The increase or reversal of the loss allowance arising therefrom is recognized as impairment loss or gain in profit or loss for the current period. For financial assets measured at fair value through other comprehensive income (debt instruments), the loss allowance is recognized in other comprehensive income, and the impairment loss or gain is recognized in profit or loss for the current period without reducing the carrying amount of the financial asset presented in the balance sheet.

Except for the aforementioned trade receivables for which bad debt allowances are provided on an individual basis, the Company classifies the remaining financial instruments into several groups based on credit risk characteristics and determines the expected credit losses on a group basis. The group categories and determination bases for the Company to accrue expected credit losses for notes receivable, accounts receivable, accounts receivable financing, other receivables, contract assets, long-term receivables, etc., are as follows:

Item	Portfolio category	Basis for determination
Accounts receivable, other receivables, contract assets, long-term receivables, etc.	Ageing portfolio	Expected credit losses are calculated based on historical credit loss experience, adjusted for current conditions and forecasts of future economic conditions, by applying the default exposure and the expected credit loss rate over the entire lifetime
Bill receivables, receivables financing	Bill type	Expected credit losses are calculated based on historical credit loss experience, adjusted for current conditions and forecasts of future economic conditions, by applying the default exposure and the expected credit loss rate over the entire lifetime

When the Company no longer reasonably expects the contractual cash flows of a financial asset to be recovered in whole or in part, it directly writes down the gross carrying amount of that financial asset.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XII) Bill receivables

☑ Applicable ☐ Not Applicable

Portfolio categories and basis for determining loss allowance measured on a portfolio basis according to credit risk characteristics

☑ Applicable ☐ Not Applicable

For details of the portfolio categories and the basis for determining the loss allowance measured on a portfolio basis according to credit risk characteristics, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

Ageing calculation method for portfolios with credit risk characteristics determined based on ageing

☑ Applicable ☐ Not Applicable

For details of the ageing calculation method for portfolios with credit risk characteristics determined based on ageing, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

Criteria for assessing loss allowance on an individual basis

☑ Applicable ☐ Not Applicable

For details of the criteria for assessing loss allowance on an individual basis, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIII) Accounts receivable

☑ Applicable ☐ Not Applicable

Portfolio categories and basis for determining loss allowance measured on a portfolio basis according to credit risk characteristics

☑ Applicable ☐ Not Applicable

For details of the portfolio categories and the basis for determining the loss allowance measured on a portfolio basis according to credit risk characteristics, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

Ageing calculation method for portfolios with credit risk characteristics determined based on ageing

☑ Applicable ☐ Not Applicable

For details of the ageing calculation method for portfolios with credit risk characteristics determined based on ageing, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

Criteria for assessing loss allowance on an individual basis

☑ Applicable ☐ Not Applicable

For details of the criteria for assessing loss allowance on an individual basis, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIV) Receivables financing

☑ Applicable ☐ Not Applicable

Portfolio categories and basis for determining loss allowance measured on a portfolio basis according to credit risk characteristics

☑ Applicable ☐ Not Applicable

For details of the portfolio categories and the basis for determining the loss allowance measured on a portfolio basis according to credit risk characteristics, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

Ageing calculation method for portfolios with credit risk characteristics determined based on ageing

☑ Applicable ☐ Not Applicable

For details of the ageing calculation method for portfolios with credit risk characteristics determined based on ageing, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

Criteria for assessing loss allowance on an individual basis

☑ Applicable ☐ Not Applicable

For details of the criteria for assessing loss allowance on an individual basis, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XV) Other receivables

☑ Applicable ☐ Not Applicable

Portfolio categories and basis for determining loss allowance measured on a portfolio basis according to credit risk characteristics

☑ Applicable ☐ Not Applicable

For details of the portfolio categories and the basis for determining the loss allowance measured on a portfolio basis according to credit risk characteristics, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

Ageing calculation method for portfolios with credit risk characteristics determined based on ageing

☑ Applicable ☐ Not Applicable

For details of the ageing calculation method for portfolios with credit risk characteristics determined based on ageing, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

Criteria for assessing loss allowance on an individual basis

☑ Applicable ☐ Not Applicable

For details of the criteria for assessing loss allowance on an individual basis, please refer to Note (XI) "Financial Instruments" in Section V "Significant Accounting Policies and Accounting Estimates" of Section VIII "Financial Report" in this report.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XVI) Inventories

☑ Applicable ☐ Not Applicable

inventory categories, measurement method of dispatched inventories, inventory system, amortization methods for low-cost consumables and packaging materials

☑ Applicable ☐ Not Applicable

1. *Classification and cost of inventories*

Inventories are classified into stock commodities, contract performance cost, dispatched goods, etc.

Inventories are initially measured at cost, and the inventory cost includes the procurement cost, processing cost and other expenses arising from making the inventory at their present location and condition.

2. *Measurement method of dispatched inventories*

Inventories that belong to contract performance costs (expenses incurred for unfinished business information services and Internet technology services) are measured at the specific method; Stock commodities and dispatched commodities are measured at the individual measurement method and the weighted average method.

3. *Inventory system*

Perpetual inventory system is adopted.

4. *Amortization methods for low-cost consumables and packaging materials*

(1) Low-cost consumables: lump-sum amortization method;

(2) Packaging materials are amortized at lump-sum method.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XVI) Inventories (Continued)

5. Recognition basis of the net realizable value of different types of inventories

☑ Applicable ☐ Not Applicable

On the balance sheet date, the inventories shall be valuated at the lower of their costs or net realizable values. When the inventory costs are higher than the net realizable values, the provision for inventory depreciation reserves shall be made. The net realizable values of inventories refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

In normal operation process, for merchandise inventories held directly for sale, including finished goods, stock commodities and held-for-sale materials, their net realizable values are determined at the estimated selling prices minus the estimated selling expenses and relevant taxes and surcharges; in normal production and operation process, for material inventories that need further processing, their net realizable values are determined at the estimated selling prices of finished goods minus estimated costs to completion, estimated selling expenses and relevant taxes and surcharges; for inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories held by the Company are more than those specified in sales contracts, the net realizable value of the excess portion of inventories are calculated on the basis of general selling prices.

After the provisions for the inventory depreciation are made, the factors causing any write-down of inventory value have disappeared, leading to the net realizable values of inventories higher than its carrying amount, the amount of write-down shall be resumed and be reversed from the original provision for inventory devaluation with the reversal being included in current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XVII) Contract assets

☑ Applicable ☐ Not Applicable

1. Recognition method and standards for contractual assets

☑ Applicable ☐ Not Applicable

The Company presents contractual assets or contractual liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. If the Company has transferred the right to receive consideration for goods transferred or services provided to customers and the right depends on factors other than the passage of time, it is presented as a contract asset. Contractual assets and contractual liabilities under the same contract are presented by their net amounts. The Company's unconditional (only subject to the passage of time) rights to receive consideration from customers are individually presented as receivables.

2. Portfolio categories and determination basis for provision for bad debts recognised by portfolio based on credit risk characteristics

☑ Applicable ☐ Not Applicable

The method of determining expected credit losses and accounting treatment for contract assets are detailed in Note "V(XI)6. Methods of testing and accounting for impairment of financial assets".

Ageing calculation method for portfolios with credit risk characteristics determined based on ageing

☐ Applicable ☑ Not Applicable

Criteria for assessing loss allowance on an individual basis

☐ Applicable ☑ Not Applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XVIII) Assets held for sale and Discontinued operations

☑ Applicable ☐ Not Applicable

Criteria for classification and accounting treatment of non-current assets classified as held for sale or disposal groups

☑ Applicable ☐ Not Applicable

Where the Company recovers the carrying amount of any non-current asset or disposed asset portfolio mainly through selling (including the exchange of non-monetary assets with commercial essence) but not continuously using the same, such non-current asset or disposed asset portfolio shall be divided into assets held for sale.

The Company recognizes non-current assets or disposed asset portfolios meeting the following conditions at the same time as assets held for sale:

(1) According to the general practice for selling such kind of asset or disposed asset portfolio in the similar transaction, the asset or portfolio can be immediately sold in the prevailing circumstance;

(2) The sale of the asset or portfolio is very likely to happen, which means that the Company has made a resolution for one selling plan and has acquired the decided purchase commitment, and it is estimated that the sale will be completed within one year. Where the sale is subject to the approval of relevant authorities or regulatory authorities of the Company according to relevant provisions, the approval has been obtained.

For any non-current asset (excluding financial assets, deferred tax assets and the assets arising from employee compensation) or disposed asset portfolio classified assets as held for sale, where its carrying amount is higher than the net amount of its fair value less the selling expense, the carrying amount shall be written down to the net amount of the fair value less the selling expense, and the amount written down shall be recognized as the losses from asset impairment and included in the current profit or loss, while the provision for impairment of assets held for sale is made.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XVIII) Assets held for sale and Discontinued operations (Continued)

Criteria for classification and accounting treatment of non-current assets classified as held for sale or disposal groups

☑ Applicable ☐ Not Applicable

Discontinued operations refer to the component meeting any of the following conditions that can be separately distinguished and that has been disposed by the Company or classified as held for sale by the Company:

(1) The component represents an independent major business or a sole major business area;

(2) The component is a part of a related plan on intended disposal of an independent major business or a sole major business area; or

(3) The component is a subsidiary acquired only for re-sale.

Profit or loss from continued operation and profit or loss from discontinued operation are listed respectively in the income statement. Loss from discontinued operation, reversed amount and other profit or loss from operation as well as the profit or loss from disposal are presented as the profit or loss from discontinued operation. For the discontinued operation presented in the current period, the Company presents the information which has originally presented as the profit or loss from continued operation as the profit or loss from discontinued operation for the comparable accounting period in the financial statements for the current period.

(XIX) Long-term equity investments

☑ Applicable ☐ Not Applicable

1. Judgment criteria for joint control and significant influence

Common control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where the Company and other investors exert common control over the investee and the Company is entitled to net assets of the investee, the investee is the joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Company is able to have significant influences on an investee, the investee is its associate.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIX) Long-term equity investments (Continued)

2. *Determination of initial investment costs*

(1) *A long-term equity investment as a result of business combination*

For long-term equity investments acquired from business combinations under common control, the investment initial cost thereof shall be recognized at the share of carrying amount of the shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controller on the acquisition date. The capital premium in the capital reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the carrying amount of consideration. If the capital premium in the capital reserves is insufficient to cover the difference, the retained earnings shall be adjusted. In case the Company can exercise control over the investee under common control for additional investment or other reasons, the share premium will be adjusted at the difference between the initial investment cost of long-term equity investments recognized in accordance with the above principles and the sum of the carrying amount of long-term equity investments before the combination plus the carrying amount of the new consideration paid for further acquisition of shares on the combination date. If the share premium is insufficient to offset, retained earnings will be offset.

For long-term equity investment as a result of business combination not under common control, the Company determines the combination cost determined on the purchase date as the initial cost of long-term equity investments. Where additional investment or other reasons make the control over the investee not under the same control possible, the initial investment cost will be the sum of the carrying amount of the equity investments previously held and the newly increased investment costs.

(2) *Long-term equity investments obtained by means other than business combination*

For long-term equity investments acquired from cash payment, the initial investment cost is the actually paid purchasing cost.

For a long-term equity investment acquired from issuance of equity securities, its initial cost is the fair value of the issued equity securities.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIX) Long-term equity investments (Continued)

3. Subsequent measurement and recognition of gains and losses

(1) Long-term equity investments calculated under cost method

Long-term equity investments of the Company in its subsidiaries are accounted for at cost, unless the investments meet the conditions for holding for sale. Except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognizes the investment income in the current year at the cash dividends or profits declared by the investee.

(2) Long-term equity investments calculated under equity method

The Company's long-term equity investments in its associates and joint ventures are calculated under the equity method. If the cost of initial investment is in excess of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will not be adjusted to the initial investment cost of long-term equity investment; if the cost of initial investment is in short of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will be included in the current profit or loss, meanwhile the costs of long-term equity investments will be adjusted.

The Company shall recognize the investment income and other comprehensive income at the shares of net profit or loss and other comprehensive income realized by the investee which the Company shall enjoy or bear and adjust the carrying amount of long-term equity investments at the same time; the Company shall calculate the shares according to profits or cash dividends declared by the investee and correspondingly reduce the carrying amount of long-term equity investments; the carrying amount of long-term equity investments shall be adjusted according to the investee's other changes in shareholders' equity other than net profit or loss, other comprehensive income and Distribution of profits, which should be included in shareholders' equity.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIX) Long-term equity investments (Continued)

3. Subsequent measurement and recognition of gains and losses (Continued)

(2) Long-term equity investments calculated under equity method (Continued)

The share of the investee's net profit or loss, other comprehensive income and changes in other shareholders' equity should be recognized after adjustments are made to Net profit and other comprehensive income of the investee based on the fair value of identifiable net assets of the investee upon acquisition of investments and according to accounting policies and accounting period of the Company.

The Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company according to the corresponding ratio and recognize the profit or loss on investments on such basis except that the assets invested or sold constitute business. Where the losses from internal transactions between the Company and the investee fall into the scope of assets impairment loss, the full amount of such losses should be recognized.

For Net loss incurred by joint ventures or associates, the Company shall, in addition to its obligation to bear additional losses, write down to zero the carrying amount of long-term equity investments and other long-term equity that essentially constitutes net investment in such joint ventures or associates. If a joint venture or an associate realizes net profits in the future, the Company shall resume recognizing its share of profits after the share of profits makes up for the share of unrecognized losses.

(3) Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the carrying amount and the actual price shall be included in the current investment income.

For partial disposal of long-term equity investments accounted for under the equity method, if the remaining equity is still accounted for under the equity method, other comprehensive income originally accounted for and recognized under the equity method shall be carried forward in proportion on the basis same as that for the direct disposal of related assets or liabilities by the investee, and other changes in shareholders' equity shall be carried forward to current profit or loss in proportion.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIX) Long-term equity investments (Continued)

3. *Subsequent measurement and recognition of gains and losses (Continued)*

(3) Disposal of long-term equity investments (Continued)

In case the joint control or significant influence over the investee is lost for disposing of equity investments or other reasons, other comprehensive income recognized from original equity investments by using the equity method shall be subject to accounting treatment on the basis same as that for the direct disposal of related assets or liabilities by the investee when the equity method is terminated, and other changes in shareholders' equity shall be transferred to current profits or losses when the equity method is terminated.

Where the Company loses the control over the investee due to disposal of partial equity investments or other reasons, when it prepares individual financial statements, if the remaining equity can exercise joint control or significant influence on the investee, such investments should be changed to be accounted for under the equity method and the remaining equity should be deemed to have been accounted for by adopting the equity method on acquisition and adjusted; other comprehensive income recognized before the control of the investee is obtained will be carried forward on the basis same as that for the direct disposal of related assets or liabilities by the investee, and other changes in owner's equity accounted for and recognized under the equity method will be carried forward to current profits or losses in proportion; if the remaining equity cannot exercise joint control or significant influence on the investee, such equity will be recognized as financial assets, and the difference between fair value and carrying amount on the date of loss of the control should be included in current profits or losses; other comprehensive income and other changes in owner's equity recognized before the control of the investee is obtained will be carried forward.

Where the Company disposes of equity investments in subsidiaries through multiple transactions and by stages until loss of the control, if the above transactions belong to a package deal, accounting treatment shall be made on the transactions as a transaction to dispose equity investments of subsidiaries and lose the control. The difference between each disposal cost and the carrying amount of long-term equity investments corresponding to disposed equities before the loss of the control should be firstly recognized as other comprehensive income in individual financial statements and then transferred into the current profit or loss at the loss of the control. If the transactions are not under a package of transactions, each transaction shall be subject to accounting treatment separately.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XX) Investment properties

An investment property is a property held to earn rentals or for capital appreciation or for both purposes. It includes buildings held for lease.

Subsequent expenditures incurred for such investment properties are included in the cost of the investment properties when it is probable that economic benefits associated with an investment property will flow to the company and the cost can be measured reliably. Otherwise, they are recognised in profit or loss for the period in which they are incurred.

The company uses the cost model for subsequent measurement of investment properties, and adopts a depreciation or amortisation policy for the investment properties which is consistent with that for buildings and land use rights.

(XXI) Fixed assets

1. Recognition and initial measurement of fixed assets

☑ Applicable ☐ Not Applicable

Fixed assets refer to the tangible assets of the Company held for the purpose of business management with useful lives exceeding one accounting year. Fixed assets are recognized when the following criteria are satisfied simultaneously:

(1) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and

(2) The costs of the fixed asset can be measured reliably.

A fixed asset shall be initially measured at its cost with the consideration of the expected discard expenses.

The subsequent expenditures relating to fixed assets shall be included in the costs of fixed assets when the relevant economic interests are much likely to flow in the Company and their costs may be measured reliably; as for the party replaced, the carrying amount shall be derecognized; all other subsequent expenditures shall be included in the current profit or loss when incurred.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXI) Fixed assets (Continued)

2. Depreciation method

☑ Applicable ☐ Not Applicable

Fixed assets will be depreciated by using the straight line method by category and the depreciation rate shall be recognized according to the category, estimated useful lives and estimated net residual value rate of fixed assets. For the fixed assets with provision for impairment made, the amount of depreciation will be determined according to the carrying amount after deduction of the provision for impairment and the remaining useful life in the future. Where various components of fixed assets are different in useful lives or provide economic benefits for the enterprise in different ways, then different depreciation rates or methods are chosen to separately provide for depreciation.

Depreciation method, depreciation life, residual value rate and annual depreciation rate of various fixed assets are as follows:

Type	**Depreciation method**	**Depreciation life (year)**	**Residual value rate (%)**	**Annual depreciation rate (%)**
Buildings and constructions	Straight-line method	20-40	3-10	2.25-4.85
Electronic equipment	Straight-line depreciation	5-10	3-10	9.00-19.40
Transportation facilities	Straight-line depreciation	5-8	3-10	11.25-19.40
Electronic equipment and others	Straight-line depreciation	3-10	3-10	9.00-32.33

The useful life and depreciation method of fixed assets with limited useful lives will be reviewed. If it is necessary, the useful life and depreciation method will be adjusted.

3. Disposal of fixed assets

When fixed assets are disposed of or are expected to fail to generate economic benefits after the use or disposal, the fixed assets shall be derecognized. The difference of the income from sales, transfer, retirement or damage of fixed assets deducting the carrying amount and related taxes should be included in the current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXII) Construction in progress

☑ Applicable ☐ Not Applicable

Construction in progress is recognised based on the actual construction expenditures incurred. It includes all types of expenditures necessary to be incurred during the construction period, capitalised borrowing costs on related borrowings before the asset is ready for intended use, and other relevant expenditures. Construction in progress is transferred to fixed assets, intangible assets, investment properties or long term prepaid expenses when the asset is ready for its intended use.

(XXIII) Borrowing costs

☑ Applicable ☐ Not Applicable

1. Recognition criteria of capitalization of borrowing costs

Borrowing costs of the Company that are directly attributable to the acquisition, construction or production of qualifying assets should be capitalized and included in the costs of related assets. Other borrowing costs are recognized as expenses at the amount on occurrence and are charged to the current profit or loss.

Assets meeting the capitalization requirements refers to fixed assets, investment properties and inventories, etc. that need to be purchased, constructed or produced for a long time to be available for intended use or sale.

2. Capitalization period for borrowing costs

Capitalization period refers to the period from commencement of capitalization of borrowing costs to its cessation. The period of capitalization suspension of borrowing costs is excluded.

Capitalization should commence when all the following three conditions are satisfied:

(1) asset disbursements, which include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization, have already been incurred;

(2) borrowing costs have occurred;

(3) purchase, construction or manufacturing activities that are necessary to prepare the assets for their intended use are in progress.

Capitalization of borrowing costs should be ceased when the acquired and constructed or produced assets eligible for capitalization have reached their intended use or sale condition.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXIII) Borrowing costs (Continued)

3. *Period of capitalization suspension*

If the acquisition and construction or production activities of assets eligible for capitalization are abnormally interrupted and such condition lasts for more than three months, the capitalization of borrowing costs should be suspended; if the interruption is necessary procedures for the acquired, constructed or produced assets eligible for capitalization to reach their intended use or sale status, the borrowing costs continue to be capitalized. Borrowing costs incurred during the interruption are recognized as the current profit or loss and continue to be capitalized until the acquisition, construction or production of the asset restarts.

4. *Calculation method of capitalization rate and capitalization amount of borrowing costs*

As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in this period less the interest income of the borrowings unused and deposited in bank or return on temporary investment shall be recognized as the capitalization amount of borrowing costs.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate of used general borrowings. The capitalization rate is determined via the calculation at the weighted average actual interest rate of general borrowings.

During capitalization period, exchange differences of principal and interest on foreign currency special borrowings shall be capitalized and included in the cost of assets eligible for capitalization. Exchange differences arising from the principal and interest of foreign currency borrowings other than special foreign currency borrowings are included in current profits or losses.

(XXIV) Intangible assets

1. *Measurement method of intangible assets*

☑ Applicable ☐ Not Applicable

(1) The Company initially measures intangible assets at cost upon acquisition

The costs of externally acquired intangible assets include their purchase prices, related taxes and surcharges and any other directly attributable expenditure incurred to prepare the asset for its intended use.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXIV) Intangible assets (Continued)

1. Measurement method of intangible assets (Continued)

(2) Subsequent measurement

The useful lives of intangible assets are analyzed on acquisition.

As for intangible assets with limited useful life, they will be amortized during the period when the intangible assets generate economic benefit for enterprise; if the period when the intangible assets generate economic benefit for enterprise cannot be predicted, the intangible assets will be deemed as those with indefinite useful life and should not be amortized.

2. Estimate of the useful life of the intangible assets with definite useful lives

☑ Applicable ☐ Not Applicable

Item	Estimated useful life (year)	Amortization method	Residual value rate (%)	Basis
Land-use Right	50	Straight-line method	0.00%	Legal useful life
patent right	5-8	Straight-line method	0.00%	Estimated actual useful life
Software	5	Straight-line method	0.00%	Estimated actual useful life
Unfinished contracts	2-3	Straight-line method	0.00%	Estimated actual useful life
Customer relationship	5-9	Straight-line method	0.00%	Estimated actual useful life

Land use rights obtained by the company are usually accounted for as intangible assets. The land use rights of the self-developed buildings including plants are measured as intangible assets and buildings are measured as fixed assets, respectively. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Intangible assets with the useful lives are amortised over their useful lives using the straight-line method. the company reviews the useful lives and the amortisation method for intangible assets with the useful lives at least once at each year-end, and makes adjustments when necessary.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXIV) Intangible assets (Continued)

3. *Judgement base of intangible assets with indefinite useful lives and review procedure of useful lives*

☑ Applicable ☐ Not Applicable

The Company had no intangible assets with indefinite useful lives.

4. *Scope of research and the development expenditures*

Expenditures incurred in the course of research and development conducted by the company include employee compensation related to personnel engaged in research and development activities, consumable materials, related depreciation and amortization expenses, and other related expenditures, and are summarized as follows:

Employee compensation related to personnel engaged in research and development activities mainly refers to employee compensation related to personnel directly engaged in research and development activities as well as management personnel and direct service personnel closely related to research and development activities, consumable materials mainly refers to material costs actually incurred for the implementation of research and development activities, and related depreciation and amortization expenses mainly refers to depreciation expenses of instruments and equipment used for research and development activities.

5. *Specific criteria for classifying research and development stages*

Expenditure on an internal research and development project shall be classified into expenditure on the research phase and expenditure on development phase.

Research stage: it is the stage when creative and planned investigation and research activities are conducted to acquire and understand new scientific or technological knowledge.

Development phase: development phase is the stage when the research achievements and other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXIV) Intangible assets (Continued)

6. Capitalization conditions of expenditures in the development stage

The expenditures in research phase will be included in current profit or loss on occurrence. Expenditures in the development stage will be recognized as intangible assets only when the following conditions are simultaneously satisfied, and included in current profit or loss if the following conditions are not satisfied:

(1) It is feasible technically to finish intangible assets for use or sale;

(2) It is intended to finish and use or sell the intangible assets;

(3) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;

(4) It is able to finish the development of the intangible assets and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and

(5) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

Where the research expenditures and the development expenditures are indistinguishable, the Company shall include research expenditures and development expenditures incurred in current profit or loss.

Where the research expenditures and the development expenditures are indistinguishable, the Company shall include research expenditures and development expenditures incurred in current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXV) Long-term assets impairment

☑ Applicable ☐ Not Applicable

For long-term equity investments, fixed assets, construction in progress, use-of-right assets, intangible assets with definite service life, and other long-term assets, if there are signs of impairment, an impairment test will be conducted on the balance sheet date. If the result of the impairment test shows that the recoverable amount of the asset is lower than its carrying amount, the provision for impairment shall be made and included in impairment loss. The recoverable amounts of intangible assets are the higher of their fair values less costs to sell and the present values of the future cash flows expected to be derived from the assets. The asset impairment provision shall be calculated and recognized on the basis of single asset, if it is difficult to estimate the recoverable amount of the individual asset, the Company shall estimate the recoverable amount of the asset group that the individual asset belongs to. Asset group is the minimum combination of assets that can independently generate cash inflows.

Intangible assets that have not been ready for intended use are tested for impairment each year.

The Company has conducted impairment test for goodwill. The carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is difficult to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergies of the business combination.

In testing an asset group or a set of asset groups including goodwill for impairment, if there is indication of impairment, the Company shall first test the asset group or the set of asset groups excluding goodwill for impairment, calculate the recoverable amount and compare it with the related carrying amount and recognise the corresponding impairment loss. After that, the Group shall test the asset group or set of asset groups including goodwill for impairment. The carrying amount of the related asset group or set of asset group is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, an impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups and then, the carrying amount of other assets (excluding goodwill) within the asset group or set of asset groups pro rata based on the carrying amount of each asset. The above losses from assets impairment will not be reversed in subsequent accounting periods once recognized. The above losses from assets impairment will not be reversed in subsequent accounting periods once recognized.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVI) Long-term deferred expenses

☑ Applicable ☐ Not Applicable

Long-term deferred expenses refer to the expenses which have been already incurred but will be borne in this period and in the future with an amortization period of over 1 year.

The amortisation period is as follows:

Item	**Amortisation method**	**Estimated useful life (years)**
Costs of improvements to fixed assets under operating leases	straight-line basis	2-5

(XXVII) Contract liabilities

☑ Applicable ☐ Not Applicable

The Company presents contractual assets or contractual liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. The Company's obligation to transfer goods or provide services to customers for consideration receivable for goods received is presented as contract liabilities. Contractual assets and contractual liabilities under the same contract are presented by their net amounts.

(XXVIII) Employee compensation

1. Accounting treatment of short-term compensation

☑ Applicable ☐ Not Applicable

During the accounting period in which employees provide service to the Company, the short-term compensation actually incurred is recognized as liabilities and charged to the current profit or loss or the relevant assets cost.

The social insurance premiums and housing fund paid for employees by the Company, as well as the labor union expense and employee education expense accrued according to the provisions, shall be calculated according to the stipulated contribution base and proportion to determine the amount of corresponding employee compensation during the accounting period of employees providing services to the Company.

Employee benefits incurred by the Company are charged to current income or loss or the cost of related assets based on the actual amount incurred, of which non-monetary benefits are measured at fair value.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Employee compensation (Continued)

2. *Accounting treatment of post-employment benefits*

☑ Applicable ☐ Not Applicable

(1) Defined contribution plan

The Company pays the basic endowment insurance premiums and unemployment insurance for employees according to the relevant provisions of the local governments. During the accounting period when employees serve the Company, the paid amount which is calculated based on the payment base and proportion as stipulated in the provisions of the local place is recognized as liabilities and included in the current profit or loss or costs associated with assets.

In addition, the employees of the company join in the Enterprise Annuity Plan of China Railway Signal & Communication Corporation Limited established by the company according to the state enterprise annuity system, the Company makes payments to the local social insurance institutions in a certain proportion to the total employee wage, with corresponding expense included in the current profit or loss or related asset cost. the company may not utilize any forfeited contributions to reduce the current contributions.

(2) Defined benefit scheme

The Company shall attribute the welfare obligations under the defined benefit scheme in accordance with the estimated accrued benefit method to the service period of relevant employee, and record the obligation in current profit or loss or costs of relevant assets.

The deficit or surplus generated from the present value of obligations of the defined benefit scheme minus the fair value of the assets of defined benefit scheme is recognized as net liabilities or net assets. When the defined benefit scheme has surplus, the Company will measure the net assets of the defined benefit scheme at the lower of the surplus of defined benefit scheme and the upper limit of the assets.

All defined benefit plans obligations, including the expected duty of payment within 12 months after the end of annual Reporting Period during which the staff provided service, were discounted based on the bond market yield of sovereign bond matching the term of defined benefit plans obligations and currency or corporate bonds of high quality in the active market on the balance sheet date.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Employee compensation (Continued)

2. *Accounting treatment of post-employment benefits (Continued)*

(2) *Defined benefit scheme (Continued)*

The service cost incurred by defined benefit scheme and the net interest of the net liabilities and net assets of the defined benefit scheme would be charged into the current profits and loss or relevant costs of assets. The changes generated from the re-measurement of the net liabilities or net assets of the defined benefit scheme would be included in the other comprehensive income and are not reversed to profit or loss in a subsequent accounting period. The portion originally included in other comprehensive income is carried forward to unallocated profit to the extent of equity upon termination of the original defined benefit schemes.

When the defined benefit scheme is settled, the gain or loss is recognized based on the difference between the present value of obligations and the settlement price of the defined benefit scheme as at the balance sheet date.

3. *Accounting treatment of dismissal benefits*

☑ Applicable ☐ Not Applicable

As to providing employees dismissal benefits, employee compensation incurred from dismissal benefits should be recognized as liabilities and included in the current profit or loss at the date when the Company is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of labor relationship or the layoff proposal or when the Company recognizes the cost related to restructuring concerning payment of dismissal benefits (whichever is earlier).

4. *Accounting methods for other long-term employee benefits*

☑ Applicable ☐ Not Applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXIX) Provisions

☑ Applicable ☐ Not Applicable

Where the obligation related to contingency meets all the following conditions simultaneously, it may be recognized as provisions by the Company:

(1) This obligation is a present obligation of the Company;

(2) The performance of such obligation is likely to result in outflow of economic benefits from the Company; and

(3) The amount of the obligation can be measured reliably.

Provisions of the Company are initially measured as the best estimate of expenses required for the performance of relevant present obligations.

When determining the best estimates, the Company comprehensively considers the risks, uncertainties, time value of money, and other factors relating to the contingencies. If the time value of money is significant, the best estimate shall be determined after discounting the relevant future outflow of cash.

If there is continuous range for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the median range within the range; in other cases, the best estimate shall be accounted for as follows in different circumstances:

- If contingencies involve a single item, the best estimate shall be determined at the amount most likely incurred.

- If contingencies involve multiple items, the best estimate shall be calculated and determined at possible outcomes and related probabilities.

When all or part of the expenses necessary for the settlement of an estimated liability of the Company is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the compensation will be received. The amount recognized for the compensation should not exceed the carrying amount of the estimated liability.

On the balance sheet date, the carrying amount of provisions shall be reviewed. If there is conclusive evidence that the best estimate cannot be reflected, the carrying amount shall be adjusted based on the current best estimate.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXX) Other financial instruments such as preference shares and perpetual bonds

☑ Applicable ☐ Not Applicable

In accordance with the terms of the contract and the economic substance of the issued perpetual bonds reflected therein rather than in legal form only, the Company classifies the financial instrument or its components as financial assets, financial liabilities or equity instruments upon initial recognition.

Financial instruments such as perpetual bond/preferred share issued by the Company meeting one of the following conditions, shall be classified as financial liabilities as a whole or its components at initial recognition:

(1) The Company cannot unconditionally avoid contractual obligations performing by delivering cash or other financial assets;

(2) Contract obligations including delivery of variable number of own equity instruments for settlement;

(3) It includes derivative instruments that are settled by their own equity (eg. share conversion rights), and the derivative instruments cannot exchange fixed amount of cash or other financial assets with fixed amount of their own equity instruments for settlement;

(4) There are contract terms that indirectly form contractual obligations;

(5) When the issuer liquidates, the perpetual bonds are in the same order as the ordinary bonds and other debts issued by the issuer.

Financial instruments such as perpetual bonds that do not meet any of the above conditions shall be classified as equity instruments at initial recognition.

The perpetual bonds issued by the company have no maturity date. After the maturity date, the company has the right to make unlimited renewals. For coupon interest of perpetual bonds, the company has the right to make deferred payment. Those that the company has no contractual obligation to pay cash or other financial assets shall be classified as equity instruments.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXI) Revenue

1. *Accounting policies adopted for income recognition and measurement*

☑ Applicable ☐ Not Applicable

The Company recognizes the income when its performance obligations as stipulated in the contract are fulfilled, that is, when the customer obtained control of the related goods or services. The acquisition of control over the related goods or services is defined as the ability to dominate the use of the goods or services and derive substantially all of the economic benefits therefrom.

Where the contract contains two or more performance obligations, the Company will, on the contract start date, allocate the transaction price to each individual performance obligation in the proportion of the individual selling price of the goods or services for which each individual performance obligation is committed. The Company measures revenue based on the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled as a result of the transfer of goods or provision of services to the customer, excluding amounts collected on behalf of third parties and amounts that the Company expects to refund to the customer. The Company determines the transaction price based on the terms of the contract, taking into account its past customary practice, and considers the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to the customer in determining the transaction price. The Company determines the transaction price that includes variable consideration by an amount not exceeding the amount for which it is highly probable that there will be no material reversal of the cumulative recognized revenue at the time the relevant uncertainty is removed. For contracts with a significant financing component, the Company determines the transaction price based on the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is obtained, and amortizes the difference between this transaction price and the contract consideration over the term of the contract using the effective interest rate method. If the Company meets one of the following conditions, it is deemed to fulfill the performance obligations within a certain period of time; otherwise, it is deemed to so at a certain point of time:

- The customer obtains and consumes the economic benefits brought by the Company's performance while the Company is performing the contract.

- The customer can control the commodities under construction during the Company's performance.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXI) Revenue (Continued)

1. Accounting policies adopted for income recognition and measurement (Continued)

- The commodities produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to receive payment for the accumulated performance of the contract so far throughout the contract period.

For performance obligations to be performed within a certain period of time, the Company recognizes revenue in accordance with the progress of performance over that period, except when the progress of performance cannot be reasonably determined. The Company determines the progress of performance using the output method or the input method, taking into account the nature of the goods or services. When there is no reasonable certainty of the progress of performance, revenue is recognized at the costs incurred when the costs incurred are expected to be reimbursed until the progress of performance can be reasonably determined.

The Company recognizes the income from the performance obligations to be performed at certain time, that is, when the customer obtained control of the related goods or services. In determining whether a customer has acquired control of goods or services, the Company considers the following indications:

- The Company has a present right to receive payment in respect of the commodity or services, i.e. the customer has a present payment obligation in respect of the commodity.

- The Company has transferred the legal title to the commodity to the customer, i.e. the customer has the legal title to the commodity.

- The Company has transferred the physical commodity to the customer, i.e. the customer has taken physical possession of the commodity.

- The Company has transferred to the customer the principal risks and rewards of ownership of the commodity, i.e. the customer has acquired principal risks and rewards with respect to the title to the commodity.

- The customer has accepted the goods or services, etc.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXI) Revenue (Continued)

2. Revenue recognition methods of the Company

☑ Applicable ☐ Not Applicable

(1) Sales agreement of goods

The sales agreement of goods entered into between the company and its customers usually only includes the performance obligations of the transferred goods. the company usually recognises the revenue at the time of transfer of control, taking into account the following factors: obtaining the current collection rights of the goods, transfer of the key risks and rewards of the ownership of the goods, transfer of the legal ownership of the goods, transfer of physical assets of goods and customers' acceptance of the goods.

(2) Service agreement

The service agreement entered into between the company and its customers usually includes performance obligations such as system integration. As the services provided by the company during the performance of the agreement have irreplaceable uses, and during the entire contract period, the company has the right to take the revenue from the completion of performance of the agreement accumulated to date as the performance obligation performed within a certain period of time, and recognise the revenue based on the performance progress, except where the performance progress cannot be reasonably determined. the company determines the performance progress for the services provided in accordance with the input method. When the performance progress cannot be reasonably determined, if the costs incurred by the company are expected to be compensated, the revenue will be recognised based on the amount of costs incurred, until the performance progress can be reasonably determined.

(3) Construction contract

The construction contract entered into between the company and its customers usually includes performance obligations such as construction services. As the customers can control the assets under construction in the performance of the company, the company considers them as performance obligations within a certain period of time, and recognises the revenue based on the performance progress, except where the performance progress cannot be reasonably determined. the company determines the performance progress for the services provided in accordance with the input method and the costs occurred. When the performance progress cannot be reasonably determined, if the costs incurred by the company are expected to be compensated, the revenue will be recognised based on the amount of costs incurred, until the performance progress can be reasonably determined.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXI) Revenue (Continued)

2. Revenue recognition methods of the Company (Continued)

(4) Variable considerations

The contracts between the company and its certain customers containing changes, claims and reward arrangements, which forms a variable consideration. the company determines the best estimate of the variable consideration based on the expected value or the most probable value. However, the sales price including variable considerations should not exceed the amount accumulatively recognised which is not likely to be significantly reversed when the uncertainty disappears.

(5) Return clauses

In connection with sales with a return clause, revenue is recognised according to the amount of consideration it expects to be entitled to for the transfer to a customer when the customer acquires control of the relevant. Amounts expected to be refunded for the return of sales are recognised as estimated liabilities. At the same time, the balance of the carrying value of the product expected to be returned upon transfer less expected costs for the recall of such product (including impairment loss of the recalled product) shall be recognised as an asset (i.e. cost of return receivables), and the net amount of the carrying value of the transferred product upon the transfer less the aforesaid asset cost shall be transferred to cost. At each balance sheet date, the company reassesses the future return of sales and re-measures the above assets and liabilities.

(6) Significant financing component

If the contract includes significant financing component, the company determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when “control” of the goods is obtained by the customer. By discounting the nominal amount of the contract consideration to the discount rate of the current selling price of the goods, the difference between the transaction price determined and the contract consideration of the contract committed shall be amortised within the contract period using effective interest rate method. If the company expects that the period between when the company transfers a promised good to a customer and when the customer pays for that good will be one year or less, the company needs not to consider the significant financing component.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXI) Revenue (Continued)

2. *Revenue recognition methods of the Company (Continued)*

(7) *Quality assurance obligation*

According to the contractual agreement, legal provisions, etc., the company provides quality assurance for the goods sold or assets constructed. For assurance-type quality assurance to the customers to ensure that the goods sold meet the established standards, the company performs accounting treatment in accordance with Note V. (XXIX)Provisions. For service-type quality assurance for a separate service provided in addition to ensuring to the customers that the goods sold meet the established standards, the company considers it as a single performance obligation, and according to the relative proportion of the individual selling prices for providing quality assurance for goods and services, amortises part of the transaction price to the service-type quality assurance, and recognises the revenue when the customer obtains control of the service. In assessing whether the quality assurance provides a separate service in addition to ensuring to the customers that the goods sold meet the established standards, the company considers whether the quality assurance is a statutory requirement, a quality assurance period and the nature of the company's commitment to perform its tasks and other factors.

(8) *Principal/agent*

For the company to obtain control of the goods or other assets from a third party and then transfer it to the customer, the company has the right to determine the price of the goods traded at its own discretion, that is, the company is a principal if it controls the specified good before that good is transferred to a customer, and the revenue shall be recognised based on the total consideration received or receivable; otherwise, the company is an agent, and the revenue shall be recognised based on the amount of commission or handling fee that is expected to be charged, and such amount shall be determined based on the net amount of the total consideration received or receivable after deducting the prices payable to other related parties or according to the established commission amount or proportion.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXI) Revenue (Continued)

2. Revenue recognition methods of the Company (Continued)

(9) Change in contract

When there is a change to the construction contract entered into between the company and its customers:

1) If the change in contract adds a clearly distinguishable construction service and contract price, and the new contract price reflects the individual selling price of the new construction service, the company will consider the change in contract as a separate contract for accounting treatment;

2) If the change in contract does not fall within the circumstances stated in item (1) above, and the transferred construction service and the construction service which has not been transferred can be clearly distinguished at the date of change in contract, the company considers it as termination of the original contract, and at the same time, the non-performance part of the original contract and the modified part of the contract will be combined into a new contract for accounting treatment;

3) If the change in contract does not fall within the circumstances stated in item (1) above, and the transferred construction service and the construction service which has not been transferred cannot be clearly distinguished at the date of change in contract, the company will make the modified part of the contract as an integral part of the original contract for accounting treatment, of which the impact on the recognised revenue as a result of such change will be adjusted as the revenue for the period on the date of change in contract.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXI) Revenue (Continued)

2. Revenue recognition methods of the Company (Continued)

(10) Franchise contract ("BOT Contract")

The franchise activities under the BOT Contract usually include building, operation and transfer.

During the construction phase, the company recognizes the contractual income for construction services in accordance with the accounting policy of the construction contract above and determines whether the company is a principal responsible person or an agent in accordance with the accounting policy of the principal responsible person/agent above, and if the company is the principal responsible person, the revenue of the construction service is recognized for performance progress. the company recognises contract assets while recognising the revenue to the extent that it has an unconditional contractual right to receive a definite amount of cash or another financial asset from the grantor within a certain period after the completion of the infrastructure prescribed in the contract; If the company is an agent, the construction service revenue is not recognised, and contract assets shall be recognised after considering the provisions in the contract with reference to the project consideration payable in the course of construction.

During the operation phase, the contract assets and the revenue are both recognised when services are provided and a receivable is recognised to the extent that the company has the right to receive the consideration (such right is conditional only on the passage of time); the daily maintenance or repair costs incurred are recognised as current expenses.

(11) Build and transfer contract ("BT Contract")

The activities under the BT Contract usually include building and transfer. For the construction services provided by the company, during the construction phase, the relevant construction service contract revenue is recognised in accordance with the accounting policies of the construction contract mentioned above. The construction contract revenue is measured at the fair value of the consideration receivable and the "long-term receivable" is recognised by using the effective interest BT Contract rate and measured at amortized cost, and is eliminated upon the receipt of payment from the owner.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXI) Revenue (Continued)

2. Revenue recognition methods of the Company (Continued)

(12) Interest income and expense

The "interest income" and "interest expense" in the company's income statement are the interest income and expense from financial assets using the effective interest rate method at amortized cost, financial assets at fair value with changes recognised through other comprehensive income and financial liabilities at amortized cost.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument to the carrying amount of the financial asset or amortized cost of the financial liability. When calculating the effective interest rate, the company estimates expected cash flows considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all amounts paid or received by the company that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

For the financial assets acquired or originated with credit impairment, the company calculates the interest income according to the amortized cost of the financial assets and the effective interest rate after credit adjustment since the initial recognition by the company. The effective interest rate after credit adjustment refers to the estimated future cash flows of the acquired or originated financial assets with credit impairment in the expected duration, which is converted into the interest rate of amortized cost of the financial assets.

For the financial assets acquired or originated without any credit impairment, but incurred credit impairment in the subsequent period, the company calculates the interest income in accordance with the amortized cost and the effect interest rate of the financial assets.

(13) Fee and commission income

Fee and commission income are recognised in accordance with accrual basis principle over the service period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXII) Contract costs

☑ Applicable ☐ Not Applicable

Contract costs include contract performance costs and contract acquisition costs.

Costs incurred by the Company to perform a contract that are not regulated by the relevant standards, such as inventories, fixed assets or intangible assets, are recognized as a contract performance cost as an asset when the following conditions are met:

- Where such cost is directly related to a current or expected contract.
- Where such cost increases the resources of the Company for fulfilling its performance obligations in the future.
- Where such cost is expected to be recovered.

If the incremental cost of the Company is expected to be recovered, the contract acquisition cost shall be recognized as an asset.

Assets related to the contract costs are amortized on the same basis as the recognition of the revenue of the goods or services related to the asset; however, if the amortization period of the contract acquisition costs is less than one year, the Company will include such costs in the current profit or loss when incurred.

For the assets related to contract costs whose carrying amount is higher than the difference between the following two items, the Company will make provision for impairment for the excess and recognize it as asset impairment loss:

1. Where the remaining consideration is expected to be obtained by the transfer of goods or services related to the asset;
2. Where the costs are estimated to occur for the transfer of the relevant goods or services.

If the said difference is higher than the carrying amount of the asset due to changes in the impairment factors in the previous period, the originally accrued impairment reserve shall be reversed and included in the current profit or loss, but the reversed asset carrying amount shall not exceed the carrying amount of the asset on the date of reversal assuming that the impairment reserve is not accrued.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIII) Government subsidies

☑ Applicable ☐ Not Applicable

1. Type

Government subsidies are monetary assets freely obtained by the Company from the government for free, which are classified into government subsidies related to assets and government subsidies related to income.

Asset-related government subsidies refer to government subsidies obtained by the Company for forming long-term assets by acquisition, construction or other manners. Government subsidies related to income refer to government subsidies other than those related to assets.

2. Timing of recognition

Government subsidies shall be recognized only if the Company is able to comply with the conditions for the government subsidies, and is likely to receive the government subsidies.

3. Accounting treatment

Government subsidies related to assets shall be used to offset the carrying amount of relevant assets or recognized as deferred income. Where such subsidies are recognized as the deferred income, they will be included in current profit or loss in accordance with the reasonable and systematic methods within useful lives of related assets (where such subsidies are related to the daily activities of the Company, they will be included in other income; where such subsidies are not related to the daily activities of the Company, they will be included in non-operating income);

Government subsidies relating to income used to compensate for relevant costs or losses which will occur in the following period in the Company shall be recognized as deferred income, and, during the period when relevant costs or losses are recognized, be included in current profit or loss (where government subsidies relating to income are relevant to routine activities of the Company, such subsidies shall be included in other income; where government subsidies relating to income are irrelevant to routine activities of the Company, such subsidies shall be included in non-operating income) or used to offset relevant costs or losses; government subsidies relating to income used to compensate for relevant costs or losses incurred in the Company shall be included in current profit or loss (where such subsidies are related to daily activities of the Company, they will be included in other income; where such subsidies are related to the daily activities of the Company, they will be included in non-operating income) or used to offset relevant costs or losses.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIII) Government subsidies (Continued)

3. Accounting treatment (Continued)

The Company receives the interest grants with policy reference and treats in different ways in accordance with the following situations:

(1) If the financial authorities allocate the interest subsidies to the lending bank, and the lending bank provides the loan to the Company at the preferential interest rate according to relevant policies, the Company takes the actually received loan amount as the recorded value of the loan, and calculates the relevant borrowing costs based on the loan principal and the preferential interest rate.

(2) If the financial authorities directly allocate the interest subsidies to the Company, the Company will offset the corresponding interest subsidies against the relevant borrowing costs.

(XXXIV) Deferred tax assets and deferred tax liabilities

☑ Applicable ☐ Not Applicable

Income tax includes the current income tax and deferred income tax. Except for the income tax arising from business mergers and such transactions or items as are directly included in shareholders' equity (including other comprehensive income), the Company shall include the current income tax and the deferred income tax in the current profit or loss.

Deferred tax assets and deferred tax liabilities are calculated and recognized based on differences (temporary differences) between tax base and carrying amount of the assets and liabilities.

Deferred tax assets are recognized at deductible temporary differences to the extent that it shall not exceed the taxable income probably obtained in future periods to be against the deductible temporary difference. For deductible losses and tax credits that can be carried forward to subsequent periods, the Company recognized deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible losses and tax credits can be utilized.

Taxable temporary differences are recognized as deferred tax liabilities except in special circumstances.

Such special circumstances include:

- Initial recognition of goodwill
- A transaction or event that is neither a business combination nor, when incurred, affects accounting profit and taxable income (or deductible loss).

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIV) Deferred tax assets and deferred tax liabilities (Continued)

For the taxable temporary differences related to the investments in subsidiaries, associates and joint ventures, the deferred tax liabilities should be recognized, unless that the timing of the reversal of the temporary differences is able to be controlled by the Company and the temporary differences will be probable not to be reversed in the foreseeable future. For deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the deductible temporary differences can be used, the deferred tax asset will be recognized.

On the balance sheet date, deferred tax assets and deferred tax liabilities should be measured at the applicable tax rate during the period of expected recovery of the relevant assets or liquidation of the relevant assets according to the provisions of tax laws.

On the balance sheet date, the Company reviews the carrying amount of deferred tax assets. If it is unlikely to obtain sufficient taxable income taxes to offset the benefit of the deferred tax assets, the carrying amount of the deferred tax assets shall be written down. When it is likely to earn sufficient taxable income, the write-down amount should be reversed.

If the Company has the legal right of netting and intends to settle in net amount or to obtain assets and discharge liabilities simultaneously, the current tax assets and current tax liabilities of the Company shall be presented based on the net amount after offset.

On the balance sheet date, deferred tax assets and deferred tax liabilities shall be listed by the net amount after offset if:

- The taxpayer has the statutory right to settle the current tax assets and current tax liabilities with net amount;

- Deferred tax assets and deferred tax liabilities are related to the income tax which are imposed on the same taxpayer by the same tax collection authority or on different taxpayers, but, in each important future period in connection with the reverse of deferred tax assets and liabilities, the involved taxpayer intends to balance tax assets and liabilities for this period with net settlement at the time of obtaining assets and discharging liabilities, deferred tax assets and deferred tax liabilities shall be presented based on the net amount after offset.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXV) Leases

☑ Applicable ☐ Not Applicable

Lease refers to a contract in which the lessor transfers the right to use the assets to the lessee within a certain period to obtain consideration. On the contract commencement date, the Company evaluates whether the contract is or includes a lease. If a party to the contract transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration, the contract is or includes a lease.

If the contract contains multiple separate leases at the same time, the Company may split the contract, and account for each lease separately. If the contract includes both lease and non-lease parts, the lessee and the lessor shall split them.

1. The Company as the lessee

☑ Applicable ☐ Not Applicable

(1) Right-of-use assets

At the commencement of the lease term, the Company recognizes the right-of-use assets for leases other than short-term and low-value asset leases. Right-of-use assets are initially measured at cost, which includes:

- The initial measurement amount of the lease liability;
- The lease payment made on or before the commencement of the lease term, or the relevant amount after deducting the lease incentive already enjoyed if any;

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXV) Leases (Continued)

1. The Company as the lessee (Continued)

(1) Right-of-use assets (Continued)

- Initial direct costs incurred by the Company;
- The Company expects to incur costs for dismantling and removing leased assets, restoring the site of the leased assets to its original condition, or restoring leased assets to their original condition, excluding costs incurred for the production of inventories.

The Company subsequently adopts the straight-line method to accrue depreciation for the right-to-use assets. If ownership of the leased assets can be obtained with reasonable certainty at the end of the lease term, the Company depreciates the leased assets over their remaining useful lives; otherwise, the leased assets are depreciated over the shorter of the lease term and the remaining useful life of the leased assets.

The Bank determines whether a right-of-use asset is impaired and accounts for the identified impairment loss in accordance with the principles described in Note V. (XXV) "Impairment of long-term assets.

(2) Lease Liabilities

At the commencement of the lease term, the Company recognizes lease liabilities for leases other than short-term and low-value asset leases. The lease liabilities are initially measured at the present value of the unpaid lease payments. Lease payments include:

- Fixed payment (including substantial fixed payment), and the relevant amount after deducting the lease incentive if any;
- Variable lease payments depending on index or ratio;
- Estimated payments due according to the guaranteed residual value provided by the Company;
- Exercise price of the purchased option, provided that the Company reasonably determines that the option will be exercised;
- The amount to be paid for the exercise of the lease termination options, provided that the lease term reflects that the Company will exercise the options to terminate the lease;

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXV) Leases (Continued)

1. *The Company as the lessee (Continued)*

(2) Lease Liabilities (Continued)

The Company uses the interest rate implicit in lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, the Company uses the incremental borrowing rate as the discount rate.

The Company calculates the interest expense of the lease liabilities in each the lease term at a fixed periodic interest rate, and includes it in the current profit or loss or related asset costs.

Variable lease payments that are not included in the lease liabilities are included in current profit or loss or related asset costs when incurred.

The Company remeasures the lease liability and adjusts the corresponding right-of-use asset if, after the lease commencement date, the following circumstances occur. If the carrying amount of the right-of-use asset is reduced to zero, but the lease liability is still subject to further reduction, the difference is recognized in profit or loss:

- When the appraisal results of the purchase option, lease renewal option or termination option change, or when the actual exercise of the aforementioned options is inconsistent with the original appraisal results, the Company re-measures the lease liability at the present value calculated by the changed lease payments and the revised discount rate;
- When there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value or a change in the index or rate used to determine the lease payment amount, the Company re-measures the lease liability at the present value calculated from the changed lease payment amount and the original discount rate. However, if the change in the lease payment amount results from a change in the floating interest rate, the present value is calculated using the revised discount rate.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXV) Leases (Continued)

1. *The Company as the lessee (Continued)*

(3) *Short-term and low-value asset leases*

The Company chooses not to recognize the right-of-use assets and lease liabilities for short-term and low-value asset leases, and includes the related lease payments in the current profit or loss or related asset costs with the straight-line method in each lease term. Short-term lease refers to a lease that lasts for no more than 12 months and includes no purchase options at the commencement of the lease term. Low-value asset lease refers to a lease with lower value when the individual leased assets are brand new assets. If the Company sublets or anticipates subletting the leased assets, the original lease is not a low-value asset lease.

(4) *Lease change*

If a lease changes and meets all the following conditions, the Company will account for the lease change as a separate lease:

- The lease change expands the scope of the lease by adding one or more rights to use the leased assets;

- The increased consideration is equivalent to the individual price of the expanded part adjusted according to the contract.

If the lease change is not accounted for as a separate lease, the Company shall, on the effective date of the lease change, re-allocate the consideration of the changed contract, re-determine the lease term, and remeasure the lease liabilities at the present value calculated based on the changed lease payment and the revised discount rate.

If a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the carrying amount of the right-of-use asset accordingly and recognizes the gain or loss related to the partial or complete termination of the lease in current profit or loss. If other lease changes result in a remeasurement of the lease liability, the Company adjusts the carrying amount of the right-of-use asset accordingly.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXV) Leases (Continued)

2. The Company as lessor

☑ Applicable ☐ Not Applicable

On the lease commencement date, the Company divides the lease into financial lease and operating lease. Financial leasing refers to the leasing that transfers almost all the risks and returns related to the ownership of the leased asset, regardless of whether the ownership is ultimately transferred or not. The term "operating lease" refers to a lease other than a financial lease. When the Company is the sub-lessee, the sublease is classified based on the right-to-use assets generated from the original lease contract.

(1) Accounting for operating lease

The lease amount received under operating leases are recognized as rental income according to the straight-line method in each period of the lease term. The Company capitalizes the initial direct expenses related to operating lease and amortizes them into the current profit and loss according to the same basis as the recognition of rental income during the lease term. The variable lease payments excluded from the lease receipts shall be included in the current profits and losses when they are actually incurred. In case of any change in the operating lease, the Company will make the accounting treatment for it as a new lease from the effective date of the change, and the amount received in advance or lease receivables before the change will be regarded as the receivables from the new lease.

(2) Accounting for financial lease

On the lease commencement date, the Company recognizes the financial lease receivable and derecognizes the financial lease assets. The net investment in the lease is taken as the entry value of the financial lease receivable as the Company initially measures the financial lease receivable. The net investment in a lease is the sum of the present value of the unguaranteed residual value and future lease payments at the beginning of the lease term, discounted at the interest rate implicit in lease.

The Company calculates and recognizes the interest income of each period in the lease term according to the fixed periodic interest rate. The derecognition and impairment of financial lease receivables shall be accounted for in accordance with the requirements set out in Note "V. (XI) Financial Instruments".

The variable lease payments excluded from the measurement of net investment in lease shall be included in the current profit and loss when they are actually incurred.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXV) Leases (Continued)

2. The Company as lessor (Continued)

(2) Accounting for financial lease (Continued)

If the financial lease changes and meets the following conditions at the same time, the Company will treat the change as a separate lease for accounting treatment:

- The change expands the lease scope by increasing the right-to-use of one or more leased assets;
- The increased consideration is equivalent to the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

If the change of financial lease is not accounted for as a separate lease, the Company will deal with the changed lease under the following circumstances:

- If the change takes effect on the lease commencement date, the lease will be classified as an operating lease, and the Company will treat it as a new lease from the effective date of the lease change, and take the net lease investment before the effective date of the lease change as the carrying amount of the leased assets;
- If the change takes effect on the commencement date of the lease, the lease will be classified as a financial lease, and the Company will carry out accounting treatment according to the policy on modifying or renegotiating a contract set out in "Note V. (XI) Financial Instruments".

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXV) Leases (Continued)

3. Sale and leaseback transaction

The Company assesses and determines whether the asset transfer in the sale and leaseback transaction is sale according to the principles set out in Note "V. (XXXI) Revenue".

(1) The Company as lessee

If the asset transfer in the sale and leaseback transaction is a sale, the Company, as the lessee, measures the right-of-use assets according to the carrying amount of the original assets regarding the right-of-use obtained by the leaseback, and only recognizes the relevant gains or losses for the right transferred to the lessor. If the asset transfer in the sale and leaseback transaction is not a sale, the Company, as the lessee, continues to recognize the transferred assets and recognize a financial liability whose amount equal to the transferred income at the same time. For the accounting treatment of financial liabilities, please refer to Note "V. (XI) Financial Instruments".

(2) The Company as a lessor

If the asset transfer in the sale and leaseback transaction is considered as sales, the Company, as the lessor, shall record the asset purchase and the asset lease in accordance with the policy in the aforesaid "2. The Company as lessor"; If the asset transfer in the sale and leaseback transaction is not considered as sales, the Company, as the lessor, shall not recognize the transferred asset, but recognize an equal amount in financial assets. For the accounting treatment of financial assets, please refer to Note "V. (XI) Financial Instruments".

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXVI) Hedge Accounting

1. *Classification of hedging*

(1) Fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment (except foreign exchange risk).

(2) Cash flow hedge is a hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

(3) Hedge of a net investment in a foreign operation is a hedge of the exposure to foreign exchange risk associated with a net investment in a foreign operation. Net investment in a foreign operation is the share of interest in the net asset of the foreign operation.

2. *Designation of the hedge relationship and recognition of the effectiveness of hedging*

At the inception of a hedge relationship, the Company formally designates the hedge relationship and documents the hedge relationship, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the nature and quantity of the hedging instrument, the nature and quantity of the hedged item, the nature of the risk being hedged, the type of hedging and how the Company will assess the hedging instrument's effectiveness. Hedging instrument's effectiveness means the degree of the change of fair value and cash flow of the hedging instrument in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

The hedge is assessed by the Company for effectiveness on an ongoing basis and judged whether it meets the requirements for the effectiveness of using hedge accounting throughout the accounting periods for which the hedging relationship was designated. Provided the discontent of the requirements, the application of a hedge shall be terminated.

The application of hedge accounting shall meet the following requirements on the effectiveness of the hedge:

(1) There is an economic relationship between the hedged item and the hedging instrument.

(2) The effect of credit risk does not dominate the value changes that result from that economic relationship.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXVI) Hedge Accounting (Continued)

2. Designation of the hedge relationship and recognition of the effectiveness of hedging (Continued)

(3) The appropriate hedge ratio will not cause the imbalance of relative weight between the hedged item and the hedging instrument, thus generating accounting results inconsistent with the hedge accounting objectives. If the hedge ratio is no longer inappropriate, but the hedge risk management objectives do not change, the amount of the hedged item or the hedging instrument shall be adjusted, so that the hedge ratio can re-meet the requirements on the effectiveness.

3. Criteria for hedge accounting

(1) Fair value hedges

The change in the fair value of a hedging derivative is recognized in the current profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognized in the current profit or loss.

For fair value hedges relating to financial instruments carried at amortized cost, the adjustment to carrying amount is amortized through the current profit or loss over the remaining term to maturity. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortized to the current profit or loss. Amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in the current profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the current profit or loss. The changes in the fair value of the hedging instrument are also recognized in the current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXVI) Hedge Accounting (Continued)

3. *Criteria for hedge accounting (Continued)*

(2) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income, while the ineffective portion is recognized immediately in the current profit or loss.

Amounts taken to other comprehensive income are transferred to the current profit or loss when the hedged transaction affects the current profit or loss, such as when hedged financial income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability (or originally recognized in other comprehensive income, and transferred in the same period as the profit and loss is affected by the non-financial assets and non-financial debts, the amounts shall be included in the current profit or loss).

If the forecast transaction or firm commitment is no longer expected to occur, the amounts previously recognized in other comprehensive income are transferred to the current profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognised in other comprehensive income remain in there until the forecast transaction or firm commitment affects the current profit or loss.

(3) Hedges of a net investment in a foreign operation

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the current profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXVII) Debt Restructuring

1. With the Company as a creditor

The Company ceases to recognise claim when the contractual right to receive the cash flows from the claim is terminated. In the case of debt restructuring through the settlement of debt with assets or the conversion of debt into equity instruments, the Company recognises the relevant assets when they meet their definitions and recognition criteria.

In the case of debt restructuring through the settlement of debt with assets, the Company initially recognises the acquired non-financial assets, which are measured at cost. The cost of inventory includes the fair value of the waived claim and other costs directly attributable to bringing the asset to its present location and condition, such as taxes, transportation fees, loading and unloading fees, insurance fees, and so on. The cost of an investment in an associate or a joint venture includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes. The cost of investment property includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes. The cost of fixed assets includes the fair value of the waived claim and and other costs directly attributable to the asset, such as taxes, transportation fees, loading and unloading fees, installation fees, professional service fees, etc., incurred before the asset reaches its intended usable state. The cost of biological assets includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes, transportation fees, and insurance fees. The cost of intangible assets includes the fair value of the waived claim and other costs directly attributable to preparing the asset for its intended use, such as taxes. In the case of debt restructuring through the conversion of debt into equity instruments, which results in the creditor converting the claim into an equity investment in an associate or a joint venture, the Company measures the initial investment cost at the fair value of the waived claim and other costs (including taxes) directly attributable to the asset. The difference between the fair value of the waived claim and its carrying amount is recognised in profit or loss for the current period.

In the case of debt restructuring through the modification of other terms, the Company recognises and measures the restructured claim in accordance with the section “V. (XI) Financial Instruments” in the notes.

Where debt restructuring is carried out through the settlement of debt with multiple assets or a combination of methods, the Company first recognises and measures the acquired financial assets and the restructured claim in accordance with the section “V. (XI) Financial Instruments” in the notes, and then allocates the net amount of the fair value of the waived claim after deducting the recognised amount of the acquired financial assets and the restructured claim, based on the proportion of the fair values of the assets other than the acquired financial assets, and determines the cost of each asset using the aforementioned methods. The difference between the fair value of the waived claim and its carrying amount is recognised in profit or loss for the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXVII) Debt Restructuring (Continued)

2. With the Company as a debtor

The Company derecognizes a liability when the present obligation for the debt is discharged.

In the case of debt restructuring through the settlement of debt with assets, the Company derecognizes the relevant assets and the settled debt when the derecognition criteria are met. The difference between the carrying amount of the settled debt and the carrying amount of the transferred assets is recognised in profit or loss for the current period.

In the case of debt restructuring through the conversion of debt into equity instruments, the Company derecognizes the settled debt when the derecognition criteria are met. Upon initial recognition of the equity instruments, the Company measures them at fair value. If the fair value of the equity instruments cannot be reliably measured, the Company measures based on the fair value of the settled debt. The difference between the carrying amount of the settled debt and the recognised amount of the equity instruments is recognised in profit or loss for the current period.

In the case of debt restructuring through the modification of other terms, the Company recognizes and measures the restructured liability in accordance with the section "V. (XI) Financial Instruments" in the notes.

In the case of debt restructuring through the settlement of debt with multiple assets or a combination of methods, the Company recognizes and measures the equity instruments and restructured liability using the aforementioned methods. The difference between the carrying amount of the settled debt and the sum of the carrying amount of the transferred assets and the recognised amounts of the equity instruments and restructured liability is recognised in profit or loss for the current period.

(XXXVIII) Segment Report

The Company determines operating segments based on internal organization structure, management requirements and internal reporting system, determines reporting segments based on operating segments, and disclose the information of the segments.

Operating segment refers to the component parts of the Company that meet the following conditions at the same time: (1) the component parts can generate income and incur expenses in daily activities; (2) the Company's management can regularly evaluate the operating results thereof in order to decide allocation of resources and evaluate their performance; and (3) the Company can obtain relevant accounting information such as the financial status, operating results and cash flows of the component parts. If two or more operating segments have similar economic characteristics, and have met a certain condition, they will be merged into one operating segment.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIX) Fair Value Measurement

The Company measures the relevant assets or liabilities at fair value based on the following assumptions:

– The sale of assets or the transfer of liabilities between market participants on the measurement date is conducted in an orderly transaction under current market conditions.

– The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or in the most advantageous market for the asset or liability when a principal market is absent.

– The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

According to the nature of the said transaction and the characteristic of the said assets or liabilities, the Company recognizes the transaction value as the fair value of initial recognition.

If other relevant accounting standards require or permit the Company to conduct initial measurement on the relevant assets or liabilities at the said fair value, and the transaction value is different from the fair value, the Company will include relevant gains or losses in the current profit or loss, unless otherwise specified in other relevant accounting standards.

For the measurement of non-financial assets at fair value, the capability of the market participant in bringing about economic interest via the best use of such assets, or the capability in selling such assets to the other market participant for bringing about economic interest with the best use of such assets should be taken into account.

The valuation techniques which are applicable to the current situation and have sufficient usable data and other information support are taken into account by the Company for the adoption of valuation technique. Relevant observable input values are preferentially adopted for valuation techniques, and the unobservable input values can be used only when the observable input values are unable or unpractical to be obtained.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIX) Fair Value Measurement (Continued)

Input values used in the fair value measurement are divided into three levels:

— Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

— Level 2-Input that is observable for related assets or liabilities, either directly or indirectly, but other than the input of the Level 1;

— Level 3-Input that is unobservable for related assets or liabilities.

The level of the measurement result of fair value shall be subject to the lowest level which the input that is of great significance to the measurement of fair value as a whole.

The Company's assets and liabilities measured at fair value mainly include: receivables for financing, other equity instrument investments etc..

(XL) Safety production expenses

According to the regulation about the extraction and use of enterprise safety production expenses' administration (Cai Zi [2022] No. 136), issued by the Ministry of Finance of the People's Republic of China and the Ministry of Emergency Management of the People's Republic of China, Safety production expenses provided for as required were included in cost of product or the current profit and loss, and credited in special reserve.

And the funds are treated separately depending on whether fixed assets are resulted when being used: funds related to expenditure is offset against special reserve directly while those forming fixed assets will consolidate expenditure incurred and recognized as fixed assets when such assets are ready for their intended use, at the same time offsetting equivalent amounts in the special reserve and recognizing equivalent amounts of accumulated depreciation.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XLI) Significant accounting judgments and estimates

☑ Applicable ☐ Not Applicable

The preparation of the financial statements requires management to make judgements, estimations and assumption that affect the reported amounts and disclosures of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. However, uncertainty about these assumptions and estimations could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

1. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

(1) Operating leases – the Group as lessor

The Company has entered into operating leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(2) Determination of progress towards completion of the performance of obligations for construction contracts

The Company uses the input method to determine the progress towards completion of the performance obligations for the construction contracts. To be specific, the Company determines the progress towards completion of the performance obligations on the basis of the percentage of the accumulative actual construction costs incurred to the expected total costs. The accumulative actual costs include the direct and indirect costs incurred during the process of transferring goods to the customers. The Company believes that the construction contract price with the customers is determined on the basis of the construction costs, and the actual construction costs as a percentage of the estimated total costs can accurately reflect the progress of the construction service. The Company determines the progress of contract performance based on the proportion of the cumulative actual construction costs to the estimated total costs, and recognizes revenue accordingly. In view of the long duration of construction contracts, which may span several accounting periods, the Company will review and revise the budget as the construction contracts progress, and adjust the income recognition amount accordingly.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XLI) Significant accounting judgments and estimates (Continued)

1. *Judgements (Continued)*

(3) The division of research stage and development stage of research and development project

The Company distinguishes between the research and development stages of internal research and development projects, the research phase for original planned surveys to acquire and understand new scientific or technical knowledge, and the application of research results or other knowledge to a programme or design prior to commercial production or use to produce new or substantially improved materials, installations, products, etc.

2. *Estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

(1) Construction contracts and labour service results

The Company recognises revenue based on the percentage of completion of individual contracts providing construction contracts and labour services. The management estimates the percentage of project completion based on the actual costs involved in the total budgeted costs and also estimates the relevant contract revenue. Due to the nature of the activities carried out in the contracts, the dates of the activities and the dates of completion of the activities are usually classified into different accounting periods. The Company will review and revise the budget and contract cost estimates as the contracts progress (if the actual contract revenue is less than the estimated or actual contract costs, provision for the estimated contract losses is to be made).

(2) Impairment of financial instruments and contract assets

The Company has adopted the expected credit loss model to evaluate the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgement and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgement and estimates, the Company estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc. Differences in estimates may have an impact on the provision for Impairment. A provision for impairment may not be equal to the actual amount of impairment losses in the future.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XLI) Significant accounting judgments and estimates (Continued)

2. Estimation uncertainty (Continued)

(3) Impairment of non-current assets other than financial assets (excluding goodwill)

The Company assesses whether there are any indicators of impairment for non-current assets other than financial assets as at the balance sheet date. Non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value of future cash flows. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

(4) Impairment of goodwill

Goodwill is tested for impairment at least annually. For the purpose of impairment testing, the present value of future cash flows, which are generated from asset groups or sets of asset groups considered together with allocated goodwill, is estimated. The Company estimates the present value of future cash flows from asset groups or sets of asset groups by forecasting the related cash flow and selecting a suitable discount rate.

(5) Impairment of inventories

The Company determines the write-down for obsolescence of inventories. These estimates are made with reference to aged inventory analyses, projections of expected future sales of goods and management experience and judgement. Based on this review, write-down of inventories will be made when the carrying amounts of inventories decline below their estimated net realizable values. Due to changes in market conditions, actual sales of goods may be different from estimation and profit or loss in the current period could be affected by differences in this estimation.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XLI) Significant accounting judgments and estimates (Continued)

2. *Estimation uncertainty (Continued)*

(6) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(7) Measurement of defined benefit scheme obligations

The Company has recognised the supplementary retirement benefits under the defined benefit scheme as a liability. The estimated amount of these welfare expenses and liabilities shall be calculated and paid on the basis of various assumptions. These assumptions include the discount rate, the growth rate of welfare expenses during relevant period, as well as other factors. Deviations between actual results and actuarial assumptions will affect the accuracy of the relevant accounting estimates. Although the management believes that the above assumptions are reasonable, any changes in assumptions shall still affect the estimated liabilities of the relevant supplementary pension insurance and other external welfare plans.

(8) Useful lives and residual values of fixed assets

The useful lives of fixed assets are estimated based on historical experience of the Group with similar assets used in a similar way. If useful lives of the fixed assets are estimated to be shorter than previously estimated, the Company will increase the depreciation rates accordingly, or dispose of those assets that are idle or technically obsolete. In determining the useful lives and net residual values of fixed assets, the Company periodically reviews the changes in market conditions, estimated physical wear and tear, and the maintenance of an asset. The estimation of the useful life of the asset is based on historical experience of the Company with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the net residual values of fixed assets are less than previous estimation. Useful lives and net residual values are reviewed, at each settlement date, based on changes in circumstances.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XLI) Significant accounting judgments and estimates (Continued)

2. Estimation uncertainty (Continued)

(9) Lessee's incremental borrowing rate

For a lease whose rate cannot be readily determined, the Company adopts lessee's incremental borrowing rate as the discount rate in estimating the present value of the lease payment. When determining the incremental borrowing interest rate, the Company uses the observable interest rate as a reference basis for determining the incremental borrowing rate according to the economic environment in which it is located and, on this basis, adjusts the reference interest rate according to the specific circumstances of the lease business, such as its own conditions, the underlying asset's condition, the lease term and the amount of the lease liability for obtaining an appropriate incremental borrowing rate.

(10) Quality guarantee

The Company will make a reasonable estimate of the warranty rate for the contract combination with similar characteristics based on historical warranty data and current warranty conditions, taking into account all relevant information such as product improvement and market changes. The estimate of the warranty rate may not be equal to the actual warranty rate in the future. The Company re-evaluates the warranty rate at least on each balance sheet date and determines the estimated liabilities based on the re-evaluated warranty rate.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XLII) Changes in significant accounting policies and accounting estimates

1. Changes in major accounting policies

☑ Applicable ☐ Not Applicable

Implementation of the Provisions of the Q&A on implementation of the accounting standards for enterprises concerning the accounting treatment of standard warrant transactions

The Ministry of Finance issued an implementation Q&A on the accounting treatment of standard warrant transactions on 8 July 2025, which clearly stipulates that, in accordance with the Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments, where an enterprise enters into contracts for the frequent purchase and sale of standard warrants on a futures trading venue for the purpose of profiting from price differences, without taking physical delivery of the commodity underlying the standard warrants, this typically indicates that the enterprise has the practice of reselling the subject matter of the contract within a short period after receipt to profit from short-term fluctuations. The enterprise shall treat such contracts for the purchase and sale of standard warrants as financial instruments and apply the provisions of the Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments. Where an enterprise, having obtained standard warrants under the aforementioned contracts, resells them within a short period, it shall not recognise sales revenue, but shall instead recognise the difference between the consideration received and the carrying amount of the standard warrants sold in investment income; where an enterprise holds standard warrants that have not been sold at the end of the period, it shall present them as other current assets. For standard warrants obtained under the aforementioned contracts, if it can eliminate or significantly reduce an accounting mismatch, the enterprise may elect to measure them at fair value through profit or loss upon initial recognition, and shall apply such election consistently to all standard warrants meeting the eligibility criteria. For standard warrants for which the fair value through profit or loss election has been made upon initial recognition, the enterprise shall not revoke such election in subsequent periods.

In accordance with the requirements of the Notice on Strictly Implementing the Accounting Standards for Enterprises and Effectively Preparing the 2025 Annual Reports (Cai Kuai [2025] No. 33), an enterprise that adjusts its accounting policies as a result of implementing the aforementioned provisions on standard warrants shall adjust the information for the comparable period in its financial statements.

The implementation of these provisions has not had a material impact on the financial position or results of operations of the Company.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XLII) Changes in significant accounting policies and accounting estimates (Continued)

2. Changes in significant accounting estimates

☐ Applicable ☑ Not Applicable

3 First implementation of new accounting standards or interpretations of standards from 2026, involving adjustments to the financial statements at the beginning of the year of first implementation

☐ Applicable ☑ Not Applicable

(XLIII) Others

☐ Applicable ☑ Not Applicable

VI. TAXATION

(I) Main taxes and tax rates

Main taxes and tax rates

☑ Applicable ☐ Not Applicable

Category	Tax determination basis	Tax rate
Value-added tax	The VAT payable is the difference between output tax (calculated based on sales of goods and taxable service income under the tax laws) and the deductible input tax for the current period	6%, 9%, 13%
Urban maintenance and construction tax	Levied on the basis of VAT actually paid	5%, 7%
Corporate income tax	Levied on the basis of taxable profits	15%, 16.5%, 20%, 25%

VI. TAXATION (CONTINUED)

(I) Main taxes and tax rates (Continued)

Main taxes and tax rates (Continued)

Disclosure statement of taxable entities subject to different enterprise income tax rates

☑ Applicable ☐ Not Applicable

Name of taxable entities	Income tax rate (%)
China Railway Signal & Communication International Co., Ltd.	16.50
CRSC Guangdong, Hong Kong and Macau (Guangzhou) Transportation Technology Co., Ltd.	15
Beijing Railway Signal Co., Ltd.	15
CRSCD	15
Xi'an Quanlutonghao Equipment Research Co., Ltd.	15
Shanghai Xinhai Xintong Information Technology Co., Ltd.	15
CRSC Wanquan Signal Equipment Co., Ltd.	15
Shanghai China Railway Communication & Signal Testing Co., Ltd.	15
Jiaozuo Railway Cable Co., Ltd.	15
Tianshui Railway Cable Co., Ltd.	15
Beijing Norrath Stantefon Communication Equipment Co., Ltd.	15
CRSCC	15
CRSC Communication & Information Group Shanghai Company Ltd.	15
CRSC Information Industry Co., Ltd.	15
Beijing National Railway Brilliance Communication Technology Co., Ltd.	15
Changsha Architectural Design Institute Co., Ltd.	15
CRSC Low-altitude Intelligence	15
Shanghai Railway Communication Co., Ltd.	15
Shenyang Railway Signal Co., Ltd.	15
Tianjin Railway Signal Co., Ltd.	15
Xi'an Railway Signal Co., Ltd.	15
Shanghai DEUTA Electronic & Electrical Equipment Co., Ltd.	15
Chengdu Railway Communication Equipment Co., Ltd.	15

VI. TAXATION (CONTINUED)

(I) Main taxes and tax rates (Continued)

Main taxes and tax rates (Continued)

Name of taxable entities	Income tax rate (%)
CRSC Changsha Railway	15
CASCO	15
CASCO Signal (Chengdu) Co., Ltd.	15
CASCO Signal (Zhengzhou) Co., Ltd.	15
CASCO Signal (Beijing) Co., Ltd.	15
CRSC Engineering Bureau Group Construction Engineering Co., Ltd.	15
CRSC Engineering Bureau Group Beijing Research and Design Laboratory Center Co., Ltd.	15
Urban Rail Transit	15
Xi'an Tonghao Railway Signaling Products Inspection Station Co., Ltd	20
CASCO Signal (Xi'an) Co., Ltd.	20
CASCO Signal (Xuzhou) Co., Ltd.	20
Zhengzhou Zhongyuan Railway Railway Transportation Operation and Maintenance Co., Ltd.	20
CRSC Jintou Intelligent Technology (Shanxi) Co., Ltd.	20
CRCC Zhengzhou Survey & Design Co., Ltd.	20

VI. TAXATION (CONTINUED)

(II) Tax preference

☑ Applicable ☐ Not Applicable

1. Refund-upon-collection policy for VAT for software enterprises

According to the Notice of the State Council on Issuing Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries (Guo Fa [2011] No. 4) (國務院關於印發進一步鼓勵軟體產業和積體電路產業發展若干政策的通知》) issued by the State Council, CRSCD, CASCO, CASCO Signal (Beijing) Co., Ltd., Beijing Norrath Stantefon Communication Equipment Co., Ltd. Tianjin Railway Signal Co., Ltd., Chengdu Railway Communication Equipment Co., Ltd. and Urban Rail Transit . enjoy the refund-upon-collection policy for the portion of VAT exceeding 3% for software enterprises.

2. Tax preferential policy for high-new technology enterprises

(1) CRSC Guangdong, Hong Kong and Macau (Guangzhou) Transportation Technology Co., Ltd. Applied and was finally recognised as a high-new technology enterprise in 2020. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 28 December 2023. is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

(2) Beijing Railway Signal Co., Ltd. applied and was finally recognised as a highnew technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 2 December 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

(3) CRSCD applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 26 October 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

(4) Xi'an Quanlutonghao Equipment Research Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2024. The company obtained the high-new technology enterprise certificate on 16 December 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

(5) Shanghai Xinhaixin Information Technology Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2016. The Company submitted the high-tech enterprise qualification review materials to the competent authorities in 2025, and obtained the updated high-new technology enterprise certificate on 25 December 2025. The certificate is valid for three years. The Company shall pay enterprise income tax at the preferential tax rate of 15% from 2025 to 2027.

(6) CRSC Wanquan Signal Equipment Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024, and obtained the updated high-new technology enterprise certificate on 16 December 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

(7) Shanghai China Railway Communication & Signal Testing Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2015. The company submitted the high- tech enterprise qualification review materials to the competent authorities in 2024, and obtained the updated high-new technology enterprise certificate in 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

(8) Jiaozuo Railway Cable Co., Ltd. was recognized as a High-Tech Enterprise in 2013. In 2025, it submitted the re-examination materials for the High-Tech Enterprise qualification to the competent authority, and obtained the updated High-Tech Enterprise qualification certificate on 23 December 2025, with a validity period of three years. The Company shall pay enterprise income tax at the preferential tax rate of 15% from 2025 to 2027.

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

(9) Tianshui Railway Cable Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on 28 October 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

(10) Beijing Norrath Stantefon Communication Equipment Co., Ltd. applied for and was recognized as a high-tech enterprise in 2011. In 2023, the company submitted materials for the re-evaluation of its high-tech enterprise qualification to the competent authorities and obtained the updated High-Tech Enterprise Certificate on 20 December 2023, valid for three years. The company enjoys a preferential corporate income tax rate of 15% from 2023 to 2025. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

(11) CRSCC applied for and was recognized as a high-tech enterprise in 2011. In 2023, it submitted materials for the re-evaluation of its high-tech enterprise qualification to the competent authorities and obtained the updated high-tech enterprise certification on 30 November 2023, valid for three years. From 2023 to 2025, the company shall pay enterprise income tax at the preferential rate of 15%. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

(12) CRSC Communication & Information Group Shanghai Company Ltd. applied for and was recognized as a high-tech enterprise in 2014. In 2023, it submitted materials for the re-evaluation of its high-tech enterprise qualification to the competent authorities and obtained the updated high-tech enterprise certification on 12 December 2023, valid for three years. From 2023 to 2025, the company shall pay enterprise income tax at the preferential rate of 15%. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

(13) CRSC Information Industry Co., Ltd. applied for and was recognized as a high-tech enterprise in 2015. In 2024, it passed the re-evaluation of its high-tech enterprise qualification and obtained the updated high-tech enterprise certification on 29 October 2024, valid for three years. From 2024 to 2026, the company shall pay enterprise income tax at the preferential rate of 15%.

(14) Beijing National Railway Brilliance Communication Technology Co., Ltd. applied for and was recognized as a high-tech enterprise in 2020. In 2023, it submitted materials for the re-evaluation of its high-tech enterprise qualification to the competent authorities and obtained the updated high-tech enterprise certification on 26 October 2023, valid for three years. From 2023 to 2025, the company shall pay enterprise income tax at the preferential rate of 15%. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

(15) Changsha Architectural Design Institute Co., Ltd. applied for and was recognized as a high-tech enterprise in 2020. In 2023, it submitted materials for the re-evaluation of its high-tech enterprise qualification to the competent authorities and obtained the updated High-Tech Enterprise Certificate on 16 October 2023. The certificate is valid for three years, and the company will enjoy a preferential corporate income tax rate of 15% from 2023 to 2025. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

(16) CRSC Low-altitude Intelligence applied for and was recognized as a high-tech enterprise in 2018. In 2024, it submitted materials for the re-evaluation of its high-tech enterprise qualification to the competent authorities and obtained the updated high-tech enterprise certification on 29 October 2024, valid for three years. From 2024 to 2026, the company shall pay enterprise income tax at the preferential rate of 15%.

(17) Shanghai Railway Communication Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 12 December 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025. The company planned to submit the high-tech enterprise qualification review materials before the expiry, and paid enterprise income tax at the preferential tax rate of 15% in 2026.

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

(18) Shenyang Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on 27 November 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

(19) Tianjin Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on 31 October 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

(20) Xi'an Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on 3 December 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

(21) Shanghai DEUTA Electronic & Electrical Equipment Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on 26 December 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

(22) Chengdu Railway Communication Equipment Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 16 October 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

I. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

(23) CRSC Changsha Railway applied and was finally recognised as a high-new technology enterprise in 2017. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 16 October 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

(24) CASCO applied and was finally recognised as a high-new technology enterprise in 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 15 November 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025. The company planned to submit the high-tech enterprise qualification review materials before the expiry, and paid enterprise income tax at the preferential tax rate of 15% in 2026.

(25) CASCO Signal (Chengdu) Co., Ltd. applied for the High-Tech Enterprise qualification in 2019 and was recognized as a High-Tech Enterprise on 28 November 2019. In 2022, it submitted the re-examination materials for the High-Tech Enterprise qualification to the competent authority, and obtained the updated High-Tech Enterprise qualification certificate on 8 December 2025, with a validity period of three years. CASCO Signal (Chengdu) Co., Ltd. shall pay enterprise income tax at the preferential tax rate of 15% from 2025 to 2027.

(26) CASCO Signal (Zhengzhou) Co., Ltd. applied in 2021 and was finally recognised as a high-new technology enterprise in 28 October 2021. The company submitted the high-tech qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on 21 November 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

I. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

(27) CASCO Signal (Beijing) Co., Ltd. applied for and was recognized as a high-tech enterprise in 2020. In 2023, the company submitted materials for the renewal of its high-tech enterprise qualification to the competent authorities and obtained the updated high-tech enterprise certification on 26 October 2023, valid for three years. The company is subject to a preferential corporate income tax rate of 15% from 2023 to 2025. The company had submitted the high-tech enterprise qualification review materials to the competent authorities again and has not yet obtained the updated high-tech enterprise qualification certificate, and the company paid enterprise income tax at the preferential tax rate of 15% in 2026.

(28) CRSC Engineering Bureau Group Construction Engineering Co., Ltd. applied for the High-Tech Enterprise qualification in 2016 and was recognized as such. In 2025, it submitted the re-examination materials for the High-Tech Enterprise qualification to the competent authority, and obtained the updated High-Tech Enterprise qualification certificate on 8 December 2025, with a validity period of three years. The Company shall pay enterprise income tax at the preferential tax rate of 15% from 2025 to 2027.

(29) CRSC Engineering Bureau Group Beijing Research and Design Laboratory Center Co., Ltd. applied for and was recognized as a high-tech enterprise in 2015. In 2024, it submitted materials for the re-evaluation of its high-tech enterprise qualification to the competent authorities and obtained the updated High-Tech Enterprise Certificate on 31 December 2024. The certificate is valid for three years, and the company will enjoy a preferential corporate income tax rate of 15% from 2024 to 2026.

(30) Urban Rail Transit applied for and was recognized as a high-tech enterprise in 2020. In 2023, the company submitted materials for the renewal of its high-tech enterprise qualification to the competent authorities and obtained the updated high-tech enterprise certification on 26 October 2023, valid for three years. The company is subject to a preferential corporate income tax rate of 15% from 2023 to 2025. The company planned to submit the high-tech enterprise qualification review materials before the expiry, and paid enterprise income tax at the preferential tax rate of 15% in 2026.

I. TAXATION (CONTINUED)

(II) Tax preference (Continued)

3. *Preferential taxation policies for the western development strategy*

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuation of the Enterprise Income Tax Policies of Western Development (MOF Announcement [2020] No. 23), from 1 January 2021 to 31 December 2030, an enterprise in western area engaged in industries encouraged is subject to the enterprise income tax rate of 15%. Xi' an Railway Signal Co., Ltd. and Xi' an Quanlutonghao Equipment Research Co., Ltd. are eligible for the preferential tax policies related to the western development strategy.

4. *Preferential taxation policies for small low-profit enterprises*

Pursuant to the Announcement of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Income Tax Policies to Support the Development of Small Low- Profit Enterprises (SAT Announcement [2022] No. 13) and Individual Business (SAT Announcement [2023] No. 6) and Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Announcement No. 12 [2023] of the MOF and the SAT), from 1 January 2023 to 31 December 2027, the portion of annual taxable income of a small low profit enterprise shall be calculated at a reduced rate of 25% as taxable income amount and shall be subject to EIT at 20% tax rate. Xi'an Tonghao Railway Signaling Products Inspection Station Co., Ltd, CASCO Signal (Xi'an) Co., Ltd., CASCO Signal (Xuzhou) Co., Ltd., Zhengzhou Zhongyuan Railway Railway Transportation Operation and Maintenance Co., Ltd., CRSC Jintou Intelligent Technology (Shanxi) Co., Ltd., CRCC Zhengzhou Survey & Design Co., Ltd. (通號(鄭州)勘察設計有限公司) and are eligible for the preferential tax policies for small and micro-profit enterprises.

5. *Additional input VAT deduction policy*

Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises (Announcement [2023] No. 43 of Ministry of Finance and State Taxation Administration), from 1 January 2023 to 31 December 2027, an advanced manufacturing enterprise is allowed to credit the amount of input tax creditable in the current period plus 5% thereof against the amount of tax payable (hereinafter referred to as the “additional tax credit policy”). Jiaozuo Railway Cable Co., Ltd., Tianshui Railway Cable Co., Ltd., Beijing Railway Signal Co., Ltd., Shenyang Railway Signal Co., Ltd., Xi'an Railway Signal Co., Ltd., Shanghai Railway Communication Co., Ltd., Tianjin Railway Signal Co., Ltd., and CRSC Communication & Information Group Shanghai Company Ltd. enjoyed the input VAT credit policy.

I. TAXATION (CONTINUED)

(II) Tax preference (Continued)

6. Corporate income tax deduction policies for loan loss provisions of financial enterprises

According to the "Announcement of the Ministry of Finance and the State Administration of Taxation on the Policies Related to the Pre-tax Deduction of Corporate Income Tax for Loan Loss Reserves of Financial Enterprises" (Announcement of the Ministry of Finance and the State Administration of Taxation No. 86 of 2019), the pre-tax deduction of corporate income tax for loan loss reserves withdrawn from loan assets of financial enterprises such as policy banks, commercial banks, finance companies, urban and rural credit cooperatives, and financial leasing companies, including bank card overdrafts, discounts, and credit advances, etc., is implemented from 1 January 2019 to December 31, 2023. The formula for calculating the loan loss reserves that financial enterprises are allowed to deduct before tax in the current year is as follows:

Loan loss reserves allowed to be deducted before tax in the current year = balance of loan assets at the end of the year allowed to withdraw loan loss reserves × 1% – balance of loan loss reserves already deducted before tax as of the end of the previous year. According to the Announcement on Extending the Implementation Period of Certain Preferential Tax Policies (Announcement of the Ministry of Finance and the State Administration of Taxation No. 6 of 2021), the policy on pre-tax deduction of corporate income tax for reserves stipulated in six documents, including the Notice of the Ministry of Finance and the State Administration of Taxation on Issues Related to the Pre-tax Deduction of Corporate Income Tax for Insurance Companies' Reserve Expenditures (Cai Shui [2016] No. 114), shall continue to be implemented after the expiration of the policy. The Finance Company will enjoy this preferential tax policy in 2026.

(III) Others

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(I) Cash and bank balances

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	**Closing balance**	Opening balance
Cash on hand	**83,283.67**	257,618.18
Bank deposits	**20,805,460,775.60**	21,913,207,215.04
Other monetary funds	**324,931,234.11**	472,649,526.31
Deposits with a finance company	**–**	–
Total	**21,130,475,293.38**	22,386,114,359.53
Including: Total amount deposited abroad	**147,262,058.87**	100,206,077.78

Other explanations

The relationship between the Company's monetary funds and cash and cash equivalents is as follows:

Item	**Closing balance**	Opening balance
Closing balance of monetary funds for the period/year	**21,130,475,293.38**	22,386,114,359.53
Less: Monetary funds with unrestricted usage rights but not belonging to cash and cash equivalents	**8,461,876,563.38**	6,680,901,318.95
Less: Restricted monetary funds	**510,984,434.60**	542,779,025.99
Closing balance of cash and cash equivalents for the period/year	**12,157,614,295.40**	15,162,434,014.59

Notes: 1. As at 30 June 2026, the Company's cash and bank balances deposited abroad were RMB147,262,058.87 (31 December 2025: RMB100,206,077.78).

2. As at 30 June 2026, the Company' s restricted cash and bank balances were RMB510,984,434.60 (31 December 2025: RMB542,779,025.99), please see Note "VII. (XXXI)".

3. The monetary funds with unrestricted usage rights but not belonging to cash and cash equivalents are mainly non-pledged/secured and unrestricted time deposits with maturity of three months or above.

4. Interest income from bank demand deposits is earned at the bank's interest rate on the demand deposits. The Company determines the period of maturity of short-term time deposit on the basis of its needs for cash and earns the interest income at the bank' s corresponding interest rate on the time deposits.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(II) Held-for-trading financial assets

☐ Applicable ☑ Not Applicable

(III) Derivative financial assets

☐ Applicable ☑ Not Applicable

(IV) Notes receivable

1. Classified presentation of notes receivable

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	**86,792,875.61**	486,128,192.06
Commercial acceptance notes	**711,790,771.00**	981,164,528.98
Less: Provision for bad debt	**2,135,861.27**	2,943,493.59
Total	**796,447,785.34**	1,464,349,227.45

2. Notes receivable pledged by the Company at the end of the period

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount pledged at the end of the period
Bank acceptance bills	**33,830,863.08**
Commercial acceptance notes	**211,480,988.44**
Total	**245,311,851.52**

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IV) Notes receivable (Continued)

3. *Notes receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	**Amount derecognized at the end of the period**	Amount not derecognized at the end of the period
Bank acceptance bills	–	33,830,863.08
Commercial acceptance notes	–	211,480,988.44
Total	–	245,311,851.52

4. *Disclosure by the method of provision for bad debts*

☐ Applicable ☑ Not Applicable

Single provision for bad debt:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☑ Not Applicable

Descriptions of significant changes in the carrying amount of accounts receivable for which the allowance for loss has changed in the period:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IV) Notes receivable (Continued)

5. Provision for bad debt

☐ Applicable ☑ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

6. Write-off of notes receivable for the period

☐ Applicable ☑ Not Applicable

Write-off of significant notes receivable:

☐ Applicable ☑ Not Applicable

Explanation on the write-off of notes receivable:

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable

1. Disclosure by ageing on recording dates

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing gross carrying amount	Book balance at the beginning of the period
Within 1 year	14,398,514,064.13	15,113,784,983.15
1 to 2 years	5,446,878,296.96	6,095,332,891.27
2 to 3 years	3,016,055,826.22	2,771,758,047.51
Over 3 years	3,285,428,627.20	3,326,770,825.71
Subtotal	26,146,876,814.51	27,307,646,747.64
Less: Provision for bad debt	2,334,052,061.48	2,306,185,346.88
Total	23,812,824,753.03	25,001,461,400.76

2. Disclosure by the method of provision for bad debts

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Provision for bad debt			Gross carrying amount		Provision for bad debt		
	Amount	Proportion (%)	Amount	Percentage of proportion (%)	Book value	Amount	Proportion (%)	Amount	Percentage of proportion (%)	Book value
Single provision for bad debt	439,192,553.30	1.68	418,312,839.89	95.25	20,879,713.41	492,729,713.97	1.80	420,675,887.70	85.38	72,053,826.27
Provision withdrawn for bad debt on a combination basis	25,707,684,261.21	98.32	1,915,739,221.59	7.45	23,791,945,039.62	26,814,917,033.67	98.20	1,885,509,459.18	7.03	24,929,407,574.49
Total	26,146,876,814.51	100.00	2,334,052,061.48	/	23,812,824,753.03	27,307,646,747.64	100.00	2,306,185,346.88	/	25,001,461,400.76

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

2. Disclosure by the method of provision for bad debts (Continued)

Single provision for bad debt:

☑ Applicable ☐ Not Applicable

30 June 2026

Unit: Yuan Currency: RMB

	Closing balance			
Name	**Gross carrying amount**	**Provision for bad debt**	**Percentage of provision(%)**	**Reasons for provision**
Single provision for bad debt	**439,192,553.30**	**418,312,839.89**	**95.25**	–
Total	**439,192,553.30**	**418,312,839.89**	**95.25**	–

31 December 2025

Unit: Yuan Currency: RMB

	Closing balance			
Name	Gross carrying amount	Provision for bad debt	Percentage of provision (%)	Reasons for provision
Single provision for bad debt	492,729,713.97	420,675,887.70	85.38	–
Total	492,729,713.97	420,675,887.70	85.38	–

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

2. Disclosure by the method of provision for bad debts (Continued)

Descriptions of single provision for bad debt:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☑ Applicable ☐ Not Applicable

30 June 2026

Unit: Yuan Currency: RMB

Name	Closing balance		
	Gross carrying amount	Provision for bad debt	Percentage of provision (%)
Within 1 year	14,396,855,834.76	71,687,291.60	0.50
1 to 2 years	5,444,189,685.59	269,711,433.53	4.95
2 to 3 years	3,010,933,786.22	301,093,378.74	10.00
Over 3 years	2,855,704,954.64	1,273,247,117.72	44.59
Total	25,707,684,261.21	1,915,739,221.59	/

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

2. Disclosure by the method of provision for bad debts (Continued)

31 December 2025

Unit: Yuan Currency: RMB

	Closing balance		
Name	Gross carrying amount	Provision for bad debt	Percentage of provision (%)
Within 1 year	15,112,126,753.78	75,274,427.52	0.50
1 to 2 years	6,092,644,279.90	302,315,734.36	4.96
2 to 3 years	2,765,662,050.89	276,511,649.67	10.00
Over 3 years	2,844,483,949.10	1,231,407,647.63	43.29
Total	26,814,917,033.67	1,885,509,459.18	/

Descriptions of provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☑ Not Applicable

Descriptions of significant changes in the carrying amount of accounts receivable for which the allowance for loss has changed in the period:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

3. *Provision for bad debt*

☑ Applicable ☐ Not Applicable

30 June 2026

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Single provision for bad debt	420,675,887.70	3,788,086.47	6,151,134.28	–	–	418,312,839.89
Provision withdrawn for bad debt on a combination basis by credit risk characteristics	1,885,509,459.18	30,233,376.94	–	–	-3,614.53	1,915,739,221.59
Total	2,306,185,346.88	34,021,463.41	6,151,134.28	–	-3,614.53	2,334,052,061.48

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

Item	Amount Recovered
Amount recovered during the period	6,151,134.28

31 December 2025

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Single provision for bad debt	413,840,344.55	6,856,508.46	20,965.31	–	–	420,675,887.70
Provision withdrawn for bad debt on a combination basis by credit risk characteristics	1,513,365,311.39	372,150,905.03	–	675.53	-6,081.71	1,885,509,459.18
Total	1,927,205,655.94	379,007,413.49	20,965.31	675.53	-6,081.71	2,306,185,346.88

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

3. Provision for bad debt (Continued)

Amount recovered or reversed to bad debts in the period

Item	**Amount Recovered**
Amount recovered during the period	**20,965.31**

4. Write-off of accounts receivable for the period

☑ Applicable ☐ Not Applicable

30 June 2026

Unit: Yuan Currency: RMB

Item	**Write-off amount**
Accounts receivable actually written off	–

2025

Unit: Yuan Currency: RMB

Item	**Write-off amount**
Accounts receivable actually written off	**675.53**

Write-off of other significant accounts receivable

☐ Applicable ☑ Not Applicable

Explanation on the write-off of accounts receivable:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

5. Top five accounts receivable and contract assets by closing balance of debtors

☑ Applicable ☐ Not Applicable

As at 30 June 2026, the total amount of top five accounts receivable and contract assets by closing balance of debtors amounted to RMB2,984,643,286.03 in total, accounting for 4.91% of the total closing balance of accounts receivable and contract assets. The closing balance of the corresponding provision for bad debt amounted to RMB67,438,192.98 in total.

As at 31 December 2025, the total amount of top five accounts receivable and contract assets by closing balance of debtors amounted to RMB3,136,248,116.66 in total, accounting for 5.20% of the total closing balance of accounts receivable and contract assets. The closing balance of the corresponding provision for bad debt amounted to RMB67,487,784.81 in total.

Other explanations:

☑ Applicable ☐ Not Applicable

As at 30 June 2026, the Company' s accounts receivable of RMB669,656,765.10 and other non-current assets of RMB4,794,895,412.70 (31 December 2025: accounts receivable of RMB688,685,201.79, other non-current assets of RMB4,738,943,742.04), which were formed by the earning rights of the franchise pledged and all proceeds thereunder, were used to obtain long-term loans of RMB2,843,253,923.00 (31 December 2025: RMB2,972,083,923.00), please refer to Note "VII. (XXXI)" for details.

As at 30 June 2026, the outstanding amount of the Company's accounts receivable factoring business with recourse was RMB112,000,000.00 (31 December 2025: RMB234,849,903.52).

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VI) Contract assets

1. Information of contract assets

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance			Closing balance		
	Gross carrying amount	Provision for bad debt	Carrying amount	Gross carrying amount	Provision for bad debt	Carrying amount
Completed but not yet settled	34,604,878,006.42	120,486,930.86	34,484,391,075.56	32,964,369,050.41	115,610,260.63	32,848,758,789.78
Total	34,604,878,006.42	120,486,930.86	34,484,391,075.56	32,964,369,050.41	115,610,260.63	32,848,758,789.78

2. Amount of and reason for significant change in carrying amount within the Reporting Period

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VI) Contract assets (Continued)

3. Disclosure by the method of provision for bad debts

☐ Applicable ☑ Not Applicable

Single provision for bad debt:

☐ Applicable ☑ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☑ Not Applicable

Descriptions of significant changes in the carrying amount of contract assets for which the allowance for loss has changed in the period:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VI) Contract assets (Continued)

4. *Provision for impairment of contract assets in the period*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Increase/decrease during the period: Provision for the period	Recovery or reversal for the period	Cancellation or write-off for the period	Other changes	Closing balance	Reason
Completed but not yet settled	115,610,260.63	4,898,947.32	–	–	-22,277.09	120,486,930.86	/
Total	115,610,260.63	4,898,947.32	–	–	-22,277.09	120,486,930.86	/

2025

Unit: Yuan Currency: RMB

Item	Closing balance of last year	Increase/decrease during the period: Provision for the period	Recovery or reversal for the period	Cancellation or write-off for the period	Other changes	Closing balance
Completed but not yet settled	140,768,010.62	-25,143,784.82	–	–	-13,965.17	115,610,260.63
Total	140,768,010.62	-25,143,784.82	–	–	-13,965.17	115,610,260.63

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VI) Contract assets (Continued)

5. Write-off of contract assets for the period

☐ Applicable ☑ Not Applicable

Write-off of significant contract assets

☐ Applicable ☑ Not Applicable

Explanation on the write-off of contract assets:

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

(VII) Receivable for financing

1. Classified presentation of receivable for financing

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	**Closing balance**	Opening balance
Bank acceptance bills	**248,457,316.67**	262,330,433.06
Other credit instruments measured at fair value through other comprehensive income	**489,308,297.11**	533,376,726.36
Total	**737,765,613.78**	795,707,159.42

Note: The Company endorses or discounts certain bank acceptance bills in its daily treasury management. The business model for managing the aforementioned notes receivable and other credit instruments aims at both the collection and sales of contractual cash flows; therefore, the Company reclassifies these notes receivable and other credit instruments as financial assets at fair value through other comprehensive income, and presents them as receivable for financing.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VII) Receivable for financing (Continued)

2. Notes receivable pledged by the Company at the end of the period

☐ Applicable ☑ Not Applicable

3. Notes receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	306,647,590.45	–
Other credit instruments measured at fair value through other comprehensive income	153,218,465.55	–
Total	459,866,056.00	–

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VII) Receivable for financing (Continued)

4. Disclosure by classification with the method of provision of bad debts

☐ Applicable ☑ Not Applicable

Single provision for bad debt:

☐ Applicable ☑ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☑ Not Applicable

Descriptions of significant changes in the carrying amount of receivables for financing for which the allowance for loss has changed in the period:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VII) Receivable for financing (Continued)

5. Provision for bad debt

☐ Applicable ☑ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

6. Write-off of notes receivable for the period

☐ Applicable ☑ Not Applicable

Write-off of significant notes receivables for financing

☐ Applicable ☑ Not Applicable

Explanation on write-off:

☐ Applicable ☑ Not Applicable

7. The increase/decrease and fair value change of receivables for financing in the period:

☐ Applicable ☑ Not Applicable

8. Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VIII) Prepayments

1. Prepayments set out by aging

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	925,950,157.95	64.64	795,507,203.73	65.82
1 to 2 years	265,322,809.34	18.52	218,116,781.60	18.05
2 to 3 years	104,152,563.22	7.27	78,514,952.53	6.50
Over 3 years	136,952,548.26	9.56	116,510,707.37	9.63
Total	1,432,378,078.77	100.00	1,208,649,645.23	100.00

2. Top five prepayments by closing balance of prepaid parties

☑ Applicable ☐ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VIII) Prepayments (Continued)

2. Top five prepayments by closing balance of prepaid parties (Continued)

As at 30 June 2026, the total amount of top five prepayments by closing balance of prepaid parties amounted to RMB201,709,699.00, accounting for 14.08% of the closing balance of the total prepayments.

As at 31 December 2025, the total amount of top five prepayments by closing balance of prepaid parties amounted to RMB164,066,616.62, accounting for 13.57% of the closing balance of the total prepayments.

Other explanations

☐ Applicable ☑ Not Applicable

(IX) Other receivables

Presentation of item

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable	–	–
Dividends receivable	1,008,000.00	9,391,355.40
Other receivables	1,665,547,734.80	1,518,459,031.81
Total	1,666,555,734.80	1,527,850,387.21

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Interests receivable

1. *Classification of interest receivable*

☐ Applicable ☑ Not Applicable

2. *Significant overdue interest*

☐ Applicable ☑ Not Applicable

3. *Disclosure by the method of provision for bad debts*

☐ Applicable ☑ Not Applicable

Single provision for bad debt:

☐ Applicable ☑ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Interests receivable (Continued)

4. Provision for bad debt

☐ Applicable ☑ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

5. Write-off of interest receivable for the period

☐ Applicable ☑ Not Applicable

Write-off of significant interest receivable

☐ Applicable ☑ Not Applicable

Explanation on the write-off:

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Dividends receivable

1. *Dividends receivable*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
CRSC Smart Data Technology (Beijing) Co., Ltd.	**1,008,000.00**	1,008,000.00
Siemens Signaling Company Ltd.	**–**	3,990,000.00
Wuhan Intelligent Metro Technology Co., Ltd.	**–**	1,340,621.64
Tianjin Jingui Huihai Technology Development Co., Ltd.	**–**	1,552,733.76
China Tietong Railway Operation Co., Ltd.	**–**	1,500,000.00
Subtotal	**1,008,000.00**	9,391,355.40
Less: Provision for bad debt	**–**	–
Total	**1,008,000.00**	9,391,355.40

2. *Significant dividends receivable aging over 1 year*

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Dividends receivable (Continued)

3. *Disclosure by the method of provision for bad debts*

☐ Applicable ☑ Not Applicable

Single provision for bad debt:

☐ Applicable ☑ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☑ Not Applicable

4. *Provision for bad debt*

☐ Applicable ☑ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Dividends receivable (Continued)

5. Write-off of dividends receivable

☐ Applicable ☑ Not Applicable

Write-off of significant dividends receivable

☐ Applicable ☑ Not Applicable

Explanation on the write-off:

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables

1. *Disclosure by ageing*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing gross carrying amount	Book balance at the beginning of the period
Within 1 year	**745,460,016.75**	522,401,717.08
1 to 2 years	**181,979,506.00**	200,198,535.59
2 to 3 years	**201,132,088.85**	230,082,587.76
Over 3 years	**794,478,199.32**	821,160,835.48
Subtotal	**1,923,049,810.92**	1,773,843,675.91
Less: Provision for bad debt	**257,502,076.12**	255,384,644.10
Total	**1,665,547,734.80**	1,518,459,031.81

2. *Classified by nature*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Nature of accounts	Closing gross carrying amount	Book balance at the beginning of the period
Performance and tender bonds	**1,122,208,519.89**	1,073,868,901.28
Advance payments	**169,896,198.59**	116,835,041.48
Various deposits	**210,693,919.10**	203,807,022.00
Others	**420,251,173.34**	379,332,711.15
Subtotal	**1,923,049,810.92**	1,773,843,675.91
Less: Provision for bad debt	**257,502,076.12**	255,384,644.10
Total	**1,665,547,734.80**	1,518,459,031.81

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

3. *Provision for bad debt*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Provision for bad debt	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Amounts due as at 1 January 2026	40,848,602.65	–	214,536,041.45	255,384,644.10
Amounts due for the period as at 1 January 2026	–	–	–	–
–Transferred to stage 2	–	–	–	–
–Transferred to stage 3	–	–	–	–
–Reversed to stage 2	–	–	–	–
–Reversed to stage 1	–	–	–	–
Provision for the period	357,704.68	–	2,203,916.34	2,561,621.02
Reversal for the period	–	–	–	–
Write-off for the period	–	–	–	–
Cancellation for the period	-16,689.00	–	-427,500.00	-444,189.00
Other changes	–	–	–	–
Amounts as at 30 June 2026	41,189,618.33	–	216,312,457.79	257,502,076.12

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

3. *Provision for bad debt (Continued)*

2025

Unit: Yuan Currency: RMB

Provision for bad debt	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Amounts due as at 1 January 2025	52,195,896.02	–	210,173,283.76	262,369,179.78
Amounts due for the period as at 1 January 2025	–	–	–	–
–Transferred to stage 2	–	–	–	–
–Transferred to stage 3	-13,759,152.74	–	13,759,152.74	–
–Reversed to stage 2	–	–	–	–
–Reversed to stage 1	–	–	–	–
Provision for the period	2,411,859.37	–	-9,391,284.23	-6,979,424.86
Reversal for the period	–	–	–	–
Write-off for the period	–	–	–	–
Cancellation for the period	–	–	5,110.82	5,110.82
Other changes	–	–	–	–
Amounts as at 31 December 2025	40,848,602.65	–	214,536,041.45	255,384,644.10

Explanation about obvious changes in gross carrying amounts of other receivables for which loss provision has changed in the period:

☑ Applicable ☐ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

3. Provision for bad debt (Continued)

January to June 2026

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit-impaired)	Total
Amounts due as at 1 January 2026	1,182,331,444.76	–	591,512,231.15	1,773,843,675.91
Amounts due for the period as at 1 January 2026	–	–	–	–
–Transferred to stage 1	–	–	–	–
–Transferred to stage 2	–	–	–	–
–Transferred to stage 3	–	–	–	–
Increase for the period	745,460,016.75	–	2,783,584.40	748,243,601.15
Derecognized	-568,609,966.14	–	-30,427,500.00	-599,037,466.14
Other changes	–	–	–	–
Amounts as at 30 June 2026	1,359,181,495.37	–	563,868,315.55	1,923,049,810.92

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

3. Provision for bad debt (Continued)

2025

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit–impaired)	Total
Amounts due as at 1 January 2025	1,291,260,826.60	–	577,979,812.25	1,869,240,638.85
Amounts due for the period as at 1 January 2025	–	–	–	–
–Transferred to stage 1	–	–	–	–
–Transferred to stage 2	–	–	–	–
–Transferred to stage 3	-28,006,648.90	–	28,006,648.90	–
Increase for the period	522,401,717.08	–	4,617,933.17	527,019,650.25
Derecognized	-603,324,450.02	–	-19,092,163.17	-622,416,613.19
Other changes	–	–	–	–
Amounts as at 31 December 2025	1,182,331,444.76	–	591,512,231.15	1,773,843,675.91

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

4. *Provision for bad debt*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Category	**Opening balance**	**Increase/decrease during the period**				**Closing balance**
		Provision	**Recovery or reversal**	**Write-off or cancellation**	**Other changes**	
Provision for bad debt	**255,384,644.10**	**2,561,621.02**	**–**	**444,189.00**	**–**	**257,502,076.12**
Total	**255,384,644.10**	**2,561,621.02**	**–**	**444,189.00**	**–**	**257,502,076.12**

2025

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debt	262,369,179.78	-6,979,424.86	–	5,110.82	–	255,384,644.10
Total	262,369,179.78	-6,979,424.86	–	5,110.82	–	255,384,644.10

Including significant amounts of provision for bad debts recovered or reversed in the period:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

5. *Write-off of other receivables for the period*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	**Write-off amount**
Write-off of other receivables	**444,189.00**

2025

Unit: Yuan Currency: RMB

Item	Write-off amount
Write-off of other receivables	5,110.82

Write-off other significant receivables:

☐ Applicable ☑ Not Applicable

Explanation on the write-off of other receivables:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

6. *Top five debtors with the largest closing balance of other receivables*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature of the amount	Aging	Closing balance of provision for bad debts
Land and Mining Rights Reserve Bureau of Tongren Municipal People's Government	**330,028,616.92**	17.16	Performance and tender bonds	Over 5 years	96,073,410.61
Liupanshui Meihua Mountain Tourism Culture Investment Co., Ltd.	**84,565,563.22**	4.40	Others	Within 1 year 925,416.67; 1-2 years 5,258,229.17; 2-3 years 54,435,758.83; 3-4 years 14,205,555.55; 4-5 years 9,740,603.00	1,956,516.87
Zhaojue County Urban and Rural Construction Investment Development Co., Ltd.	**80,000,000.00**	4.16	Various deposits	2-3 years	–
China Railway Zhengzhou Group Co., Ltd. Zhengzhou South Station Project Construction Headquarters	**74,955,016.81**	3.90	Advance payments	Within 1 year	374,775.08
Bijie Industrial Energy Investment & Construction Co., Ltd.	**30,000,000.00**	1.56	Performance and tender bonds	4-5 years	–
Total	**599,549,196.95**	31.18	/	/	98,404,702.56

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

6. *Top five debtors with the largest closing balance of other receivables (Continued)*

As at 31 December 2025, the total amount of top five debtors with the largest closing balance of other receivables amounted to RMB602,600,829.04 in total, accounting for 33.97% of the total closing balance of other receivables. The closing balance of the corresponding provision for bad debt amounted to RMB113,974,921.77 in total.

7. *Other receivables derecognized due to the transfer of financial assets*

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(X) Inventories

1. Inventories classification

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories/ provision for impairment of contract performance cost	Carrying amount	Gross carrying amount	Provision for decline in value of inventories/ provision for impairment of contract performance cost	Carrying amount
Raw materials	1,629,997,571.22	6,365,614.97	1,623,631,956.25	1,311,920,073.84	6,431,913.61	1,305,488,160.23
Turnover materials	4,933,203.02	–	4,933,203.02	4,627,937.89	–	4,627,937.89
Materials for consigned processing	–	–	–	16,042,390.89	–	16,042,390.89
Self-made semi finished products and work-in process	978,582,631.05	387,139.30	978,195,491.75	970,022,818.11	396,628.22	969,626,189.89
Finished goods	1,177,203,944.18	7,873.08	1,177,196,071.10	1,055,747,003.17	7,873.08	1,055,739,130.09
Total	3,790,717,349.47	6,760,627.35	3,783,956,722.12	3,358,360,223.90	6,836,414.91	3,351,523,808.99

2. Data resources confirmed as inventory

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(X) Inventories (Continued)

3. *Provision for decline in value of inventories and provision for impairment of contract performance cost*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period: Provision	Increase during the period: Others	Decrease during the period: Reversal or write-off	Decrease during the period: Others	Closing balance
Raw materials	**6,431,913.61**	**-66,298.64**	**–**	**–**	**–**	**6,365,614.97**
Self-made semi finished products and work-in process	**396,628.22**	**-9,488.92**	**–**	**–**	**–**	**387,139.30**
Finished goods	**7,873.08**	**–**	**–**	**–**	**–**	**7,873.08**
Total	**6,836,414.91**	**-75,787.56**	**–**	**–**	**–**	**6,760,627.35**

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period: Provision	Increase during the period: Others	Decrease during the period: Reversal or write-off	Decrease during the period: Others	Closing balance
Raw materials	5,688,721.59	743,192.02	–	–	–	6,431,913.61
Self-made semi finished products and work-in process	407,057.50	-10,429.28	–	–	–	396,628.22
Finished goods	7,873.08	–	–	–	–	7,873.08
Total	6,103,652.17	732,762.74	–	–	–	6,836,414.91

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(X) Inventories (Continued)

3. Provision for decline in value of inventories and provision for impairment of contract performance cost (Continued)

Reasons for reversal or write-off of inventory write-down for the period

☐ Applicable ☑ Not Applicable

Provision for inventory write-down on a combination basis

☐ Applicable ☑ Not Applicable

Criteria for provision withdrawn for inventory write-down on a combination basis

☐ Applicable ☑ Not Applicable

4. Amount and calculation of capitalized amount of the borrowing cost in the closing balance of inventories

☐ Applicable ☑ Not Applicable

5. Explanation about current amortization amount of contract performance cost

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

(XI) Assets held for sale

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XII) Non-current assets due within one year

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Project quality deposit due within one year and project payment	85,399,409.37	153,571,232.72
Interest on time deposits due within one year	25,410,833.36	
Less: Provision for bad debt	267,125.21	593,380.05
Total	110,543,117.52	152,977,852.67

Debt investment due within one year

☐ Applicable ☑ Not Applicable

Other debt investment due within one year

☐ Applicable ☑ Not Applicable

(XIII) Other current assets

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT input to be deducted	881,344,648.32	760,333,936.74
Prepaid corporate income tax	62,517,988.26	41,518,642.20
Other prepaid tax	29,713,867.12	27,986,388.24
Total	973,576,503.70	829,838,967.18

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XIV) Debt investment

1. Information of debt investment

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	**Provision for impairment**	**Carrying amount**	Gross carrying amount	Provision for impairment	Carrying amount
Shandong Railway Development Fund Co., Ltd. (山東鐵路發展基金有限公司)	**273,172,183.50**	**–**	**273,172,183.50**	273,172,183.50	–	273,172,183.50
Total	**273,172,183.50**	**–**	**273,172,183.50**	273,172,183.50	–	273,172,183.50

Note: The Company completed its investment in Shandong Railway Development Fund Co., Ltd. (山東鐵路發展基金有限公司) on 28 January 2019, with the investment return to be paid by Shandong Development Fund as per 10% off the benchmark interest rate for more-than-5-year loans issued by PBOC (the prevailing interest rate 4.9%*0.9=4.41%), and the interest was commenced on a phased basis from the date on which such investment capital was received, subject to adjustment according to interest rate of the central bank in the end period. At the end of the tenth anniversary of the date on which the project cooperation is commenced (i.e., 28 January 2029), Shandong Railway Development Fund Co., Ltd. will receive the equity equivalent to the Company's original capital contribution in lump sum. Therefore, the Company mainly holds the investment for the purpose of obtain contractual cash flows, and cash flows generated on specific dates are solely for the payment of the investment principal and interests incurred from the outstanding amount, and they fall into financial assets measured at amortized cost, therefore, the investment is stated as debt investment.

The Company has assessed that its credit risk has not significantly increased since the initial recognition on the balance sheet date, therefore the Company did not make provision for impairment according to the amount equivalent to the ECL for the next 12 months.

Changes in provision for impairment of debt investments during the period

☐ Applicable ☑ Not Applicable

2. Significant debt investments at the end of the period

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XIV) Debt investment (Continued)

3. Provision for impairment

☐ Applicable ☑ Not Applicable

Explanation on significant changes in carrying mount of debt investments for which the provision for impairment has changed in the period:

☐ Applicable ☑ Not Applicable

Amount of provision for impairment for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

☐ Applicable ☑ Not Applicable

4. Write-off of debt investments in the period

☐ Applicable ☑ Not Applicable

Write-off of significant debt investments

☐ Applicable ☑ Not Applicable

Explanations on the write-off of debt investments:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XV) Other debt investment

1. Information about other debt investments

☐ Applicable ☑ Not Applicable

Changes in provision for impairment of other debt investments

☐ Applicable ☑ Not Applicable

2. Other significant debt investments at the end of the period

☐ Applicable ☑ Not Applicable

3. Information about provision for impairment

☐ Applicable ☑ Not Applicable

4. Write-off of other debt investments for the period

☐ Applicable ☑ Not Applicable

Write-off of other significant debt investments

☐ Applicable ☑ Not Applicable

Explanation on write-off of other debt investments:

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVI) Long-term receivables

1. *Information about long-term receivables*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance			
	Gross carrying amount	Provision for bad debt	Carrying amount	Gross carrying amount	Provision for bad debt	Carrying amount	Discount rate
Receivables of "Build-Transfer" project	90,969,807.11	4,684,893.15	86,284,913.96	84,564,647.15	4,652,907.14	79,911,740.01	
Project receivable	7,557,998,588.16	125,630,611.36	7,432,367,976.80	8,094,873,527.93	128,322,006.79	7,966,551,521.14	
Subtotal	7,648,968,395.27	130,315,504.51	7,518,652,890.76	8,179,438,175.08	132,974,913.93	8,046,463,261.15	
Less: Amount due within one year	57,717,522.82	113,247.63	57,604,275.19	58,339,633.69	123,378.78	58,216,254.91	
Total	7,591,250,872.45	130,202,256.88	7,461,048,615.57	8,121,098,541.39	132,851,535.15	7,988,247,006.24	/

Note: (1) The Company signed repurchase agreements in relation to municipal engineering investment and construction with the relevant government bodies, under which those bodies authorize companies of the Company undertaking "build-transfer" projects to implement the investment and financing functions on their behalf to develop municipal projects. Those companies shall, after the completion of the "build-transfer" projects, hand over the projects to such bodies, and then such bodies shall pay the repurchase price within the time limit specified in the repurchase agreement.

(2) As at 30 June 2026, the outstanding amount of the Company's long-term receivables factoring business with recourse was RMB230,000,000.00, with a net value of RMB228,850,000.00 (31 December 2025: RMB230,000,000.00, net value RMB228,850,000.00).

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVI) Long-term receivables (Continued)

2. Disclosure by the method of provision for bad debts

☐ Applicable ☑ Not Applicable

Single provision for bad debt:

☐ Applicable ☑ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVI) Long-term receivables (Continued)

3. Provision for bad debt

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period: Provision	Recovery or reversal	Write-off or cancellation	Other changes	Closing balance
Provision for bad debt	132,851,535.15	-2,649,278.27	–	–	–	130,202,256.88
Total	132,851,535.15	-2,649,278.27	–	–	–	130,202,256.88

2025

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period: Provision	Recovery or reversal	Write-off or cancellation	Other changes	Closing balance
Provision for bad debt	127,458,467.79	5,393,067.36	–	–	–	132,851,535.15
Total	127,458,467.79	5,393,067.36	–	–	–	132,851,535.15

Note: The Company evaluated whether or not the credit risk of the said long-term receivables has been significantly increased since the initial recognition on each balance sheet date. If such credit risk has not significantly increased since the initial recognition, the Company made provisions for loss at the amount equivalent to ECL for the next 12 months; and if the credit risk has significantly increased since the initial recognition but no credit impairment has occurred, the Company made provisions for loss at the amount equivalent to the lifetime ECL.

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVI) Long-term receivables (Continued)

4. Write-off of long-term receivables for the period

☐ Applicable ☑ Not Applicable

Write-off of significant long-term receivables

☐ Applicable ☑ Not Applicable

Explanations on write-off of long-term receivables:

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments

1. Long-term equity investments

☑ Applicable ☐ Not Applicable

Item	Closing balance			Closing balance of last year		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Investments in joint ventures	150,145,460.73	–	150,145,460.73	143,069,504.19	–	143,069,504.19
Investments in associates	2,070,791,746.84	–	2,070,791,746.84	2,038,594,980.08	–	2,038,594,980.08
Total	2,220,937,207.57	–	2,220,937,207.57	2,181,664,484.27	–	2,181,664,484.27

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments (Continued)

1. *Long-term equity investments (Continued)*

January to June 2026

Unit: Yuan Currency: RMB

Investee	Opening balance (carrying amount)	Opening balance of provision for impairment	Increase/decrease for the period: Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other	Closing balance (carrying amount)	Closing balance of provision for impairment
I. Joint ventures												
CRSC Smart Data Technology (Beijing) Co., Ltd.	13,246,833.16	-	-	-	75,956.54	-	-	-	-	-	13,322,789.70	-
Xi'an Schaltbau Electric Corp., Ltd.	129,822,671.03	-	-	-	7,000,000.00	-	-	-	-	-	136,822,671.03	-
Subtotal	143,069,504.19	-	-	-	7,075,956.54	-	-	-	-	-	150,145,460.73	-
II. Associates												
CSCEC Foshan Joint Investment Co., Ltd.	10,851,795.12	-	-	-	-86,930.92	-	-	-	-	-	10,764,864.20	-
Siping Integrated Pipeline Construction Co., Ltd.	220,688,671.84	-	-	-	-645,932.01	-	-	-	-	-	220,042,739.83	-

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments (Continued)

1. Long-term equity investments (Continued)

Investee	Opening balance (carrying amount)	Opening balance of provision for impairment	Increase/decrease for the period								Closing balance (carrying amount)	Closing balance of provision for impairment
			Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other		
Guangdong Utrust Financial Leasing Co., Ltd.	382,278,075.23	-	-	-	3,455,583.49	-	-	-	-	-	385,733,658.72	-
CRSC Tianshui Tram Co., Ltd.	311,676,339.82	-	-	-	18,745,161.06	-	-	-	-	-	330,421,500.88	-
Shentie Signaling (Shenzhen) Co., Ltd	41,381,580.86	-	-	-	1,330,590.32	-	-	-	-	-	42,712,171.18	-
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	10,107,482.21	-	-	-	-2,439,409.64	-	-	-	-	-	7,668,072.57	-
Siemens Signaling Company Ltd.	73,257,626.78	-	-	-	4,500,000.00	-	-	-	-	-	77,757,626.78	-
Henan Huazhou Railway Co., Ltd.	155,633,102.77	-	-	-	-134,292.91	-	-	-	-	-	155,498,809.86	-
Jincheng City Northwest Railway Co., Ltd.	106,760,000.00	-	-	-	1,330,590.32	-	-	-	-	-	106,760,000.00	-

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments (Continued)

1. *Long-term equity investments (Continued)*

Investee	Opening balance (carrying amount)	Opening balance of provision for impairment	Increase/decrease for the period: Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other	Closing balance (carrying amount)	Closing balance of provision for impairment
Wuhan Intelligent Metro Technology Co., Ltd.	42,398,722.32	-	-	-	1,147,096.96	-	-	-	-	-	43,545,819.28	-
Zhuhai Huatong Private Equity Fund Management Enterprise (Limited Partnership)	9,102,285.92	-	-	-	-609,382.59	-	-	-	-	-	8,492,903.33	-
Tianshui Tram Co., Ltd.	585,239,682.54	-	-	-	8,536,758.56	-	-	-	-	-	593,776,441.10	-
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	5,431,087.21	-	-	-	-199,029.73	-	-	-	-	-	5,232,057.48	-
Shijiazhuang Jiaotou Intelligent Technology Co., Ltd.	10,813,356.01	-	-	-	-1,662,512.95	-	-	-	-	-	9,150,843.06	-
Nanjing Rail Transit Equipment Technology Co., Ltd.	2,434,824.23	-	-	-	803,841.78	-	-	-	-	-	3,238,666.01	-
China Tietong Railway Operation Co., Ltd.	51,938,538.52	-	-	-	2,599,073.75	-	372,547.81	2,250,000.00	-	-	52,660,160.08	-

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments (Continued)

1. *Long-term equity investments (Continued)*

Investee	Opening balance (carrying amount)	Opening balance of provision for impairment	Increase/decrease for the period: Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other	Closing balance (carrying amount)	Closing balance of provision for impairment
Zhongliantou (Shanghai) Data Intelligence Technology Co., Ltd.	4,136,087.48	-	-	-	-1,307,578.48	-	-	-	-	-	2,828,509.00	-
Tianjin Jingui Huihai Technology Development Co., Ltd.	14,465,721.22	-	-	-	41,182.26	-	-	-	-	-	14,506,903.48	-
Subtotal	2,038,594,980.08	-	-	-	34,074,218.95	-	372,547.81	2,250,000.00	-	-	2,070,791,746.84	-
Total	2,181,664,484.27	-	-	-	41,150,175.49	-	372,547.81	2,250,000.00	-	-	2,220,937,207.57	-

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments (Continued)

1. Long-term equity investments (Continued)

2025

Unit: Yuan Currency: RMB

Investee	Opening balance (carrying amount)	Increase/decrease for the period								Closing balance (carrying amount)	Closing balance of provision for impairment
		Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other		
I. Joint ventures											
CRSC Smart Data Technology (Beijing) Co., Ltd.	12,947,428.00	-	-	299,405.16	-	-	-	-	-	13,246,833.16	-
Xi'an Schaltbau Electric Corp., Ltd.	130,822,671.03	-	-	19,000,000.00	-	-	20,000,000.00	-	-	129,822,671.03	-
Subtotal	143,770,099.03	-	-	19,299,405.16	-	-	20,000,000.00	-	-	143,069,504.19	-
II. Associates											
CSCEC Foshan Joint Investment Co., Ltd.	12,616,233.38	-	-	-1,764,438.26	-	-	-	-	-	10,851,795.12	-

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments (Continued)

1. *Long-term equity investments (Continued)*

2025

Investee	Opening balance (carrying amount)	Increase/decrease for the period: Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other	Closing balance (carrying amount)	Closing balance of provision for impairment
Siping Integrated Pipeline Construction Co., Ltd.	222,103,904.21	-	-	-1,415,232.37	-	-	-	-	-	220,688,671.84	-
Guangdong Utrust Financial Leasing Co., Ltd.	376,818,556.71	-	-	5,459,518.52	-	-	-	-	-	382,278,075.23	-
CRSC Tianshui Tram Co., Ltd.	283,879,029.05	-	-	27,797,310.77	-	-	-	-	-	311,676,339.82	-
Shentie Signaling (Shenzhen) Co., Ltd	33,950,079.34	-	-	7,431,501.52	-	-	-	-	-	41,381,580.86	-
Wuhan Intelligent Metro Technology Co., Ltd.	42,479,909.71	-	-	1,259,434.25	-	-	1,340,621.64	-	-	42,398,722.32	-
Zhuhai Huatong Private Equity Fund Management Enterprise (Limited Partnership)	8,626,545.55	-	-	475,740.37	-	-	-	-	-	9,102,285.92	-
Tianshui Tram Co., Ltd.	368,198,321.37	187,524,700.00	-	29,516,661.17	-	-	-	-	-	585,239,682.54	-

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments (Continued)

1. Long-term equity investments (Continued)

2025

Investee	Opening balance (carrying amount)	Increase/decrease for the period								Closing balance (carrying amount)	Closing balance of provision for impairment
		Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other		
China Tietong Railway Operation Co., Ltd.	37,698,924.13	–	–	15,149,641.83	–	589,972.56	1,500,000.00	–	–	51,938,538.52	–
CCUI (Shanghai) Digital Technologies Co., Ltd.	4,091,363.31	–	–	44,724.17	–	–	–	–	–	4,136,087.48	–
Tianjin Jingui Huihai Technology Development Co., Ltd.	15,563,393.10	–	–	2,007,795.63	–	–	3,105,467.51	–	–	14,465,721.22	–
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	5,687,192.74	–	–	3,894.47	–	–	260,000.00	–	–	5,431,087.21	–
Shijiazhuang Jiaotou Intelligent Technology Co., Ltd.	5,608,094.43	5,400,000.00	–	-194,738.42	–	–	–	–	–	10,813,356.01	–
Nanjing Rail Transit Equipment Technology Co., Ltd.	–	2,000,000.00	–	434,824.23	–	–	–	–	–	2,434,824.23	–
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	22,708,472.62	–	–	-12,520,755.90	–	–	80,234.51	–	–	10,107,482.21	–

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments (Continued)

1. Long-term equity investments (Continued)

2025

Investee	Opening balance (carrying amount)	Increase/decrease for the period: Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other	Closing balance (carrying amount)	Closing balance of provision for impairment
Siemens Signaling Company Ltd.	70,437,626.78	-	-	10,800,000.00	-	-	7,980,000.00	-	-	73,257,626.78	-
Henan Huazhou Railway Co., Ltd.	152,464,070.45	-	-	3,169,032.32	-	-	-	-	-	155,633,102.77	-
Jincheng City Northwest Railway Co., Ltd.	-	106,760,000.00	-	-	-	-	-	-	-	106,760,000.00	-
Subtotal	1,662,931,716.88	301,684,700.00	-	87,654,914.30	-	589,972.56	14,266,323.66	-	2,038,594,980.08	-	
Total	1,806,701,815.91	301,684,700.00	-	106,954,319.46	-	589,972.56	34,266,323.66	-	2,181,664,484.27	-	

Note: (1) As at 30 June 2026 and 31 December 2025, the ability of investees in which the Company hold long-term equity investments to transfer funds to the Company has not been restricted.

(2) For the information of joint ventures or associates for the period, please refer to note “X. (III)”

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investments (Continued)

2. *Impairment testing of long-term equity investments*

☐ Applicable ☑ Not Applicable

(XVIII) Other equity instrument investments

1. *Other equity instrument investments*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Increase/decrease for the period					Others	Dividend incomes recognised for the period	Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income	Reasons for being measured at fair value through other comprehensive income
		Increase/decrease for the period	Additional investment	Reduction of investment	Gains recognised in other comprehensive income for the period	Losses recognised in other comprehensive income for the period					
Beijing Rail Transit Operation Control System National Engineering Research Center Co., Ltd.	2,141,159.20	-	-	-	-	-	2,141,159.20	-	-	-	Non-trading holdings
Hunan Maglev Group Co., Ltd.	132,600,000.00	-	-	-	-	-	132,600,000.00	-	32,600,000.00	-	Non-trading holdings

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVIII) Other equity instrument investments (Continued)

1. *Other equity instrument investments (Continued)*

Item	Opening balance	Increase/decrease for the period: Increase/decrease for the period	Increase/decrease for the period: Additional investment	Increase/decrease for the period: Reduction of investment	Increase/decrease for the period: Gains recognised in other comprehensive income for the period	Increase/decrease for the period: Losses recognised in other comprehensive income for the period	Others	Dividend incomes recognised for the period	Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income	Reasons for being measured at fair value through other comprehensive income
Lunan High Speed Railway Co., Ltd.	367,068,266.45	-	-	-	-	-	367,068,266.45	-	-	-2,569,267.55	Non-trading holdings
Ganzhou-Shenzhen Railway (Guangdong) Co., Ltd.	107,568,920.51	-	-	-	-	-	107,568,920.51	-	7,568,920.51	-	Non-trading holdings
Beijing Yawan High Speed Railway Co., Ltd.	298,631,391.11	-	-	-	-	-	298,631,391.11	-	-	-186,953,556.89	Non-trading holdings
Beijing China-Kyrgyzstan-Uzbekistan Railway Co., Ltd.	123,387,101.81	71,911,836.31	-	-	-	-	195,298,938.12	-	2,799.91	-	Non-trading holdings
Xiongan Jingxiong Express Rail Co., Ltd.	232,438,021.48	-	-	-	-	-	232,438,021.48	-	438,021.48	-	Non-trading holdings
Taizhou-Hangshaotai High-Speed Railway Investment Management Partnership (LLP)	133,900,745.46	-	-	-	-	-	133,900,745.46	-	-	-13,329,720.54	Non-trading holdings
Total	1,397,735,606.02	71,911,836.31	-	-	-	-	1,469,647,442.33	-	40,609,741.90	-202,852,544.98	/

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVIII) Other equity instrument investments (Continued)

1. *Other equity instrument investments (Continued)*

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase/decrease for the period: Additional investment	Increase/decrease for the period: Reduction of investment	Increase/decrease for the period: Gains recognised in other comprehensive income for the period	Increase/decrease for the period: Losses recognised in other comprehensive income for the period	Increase/decrease for the period: Others	Closing balance	Dividend incomes recognised for the period	Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income	Reasons for being measured at fair value through other comprehensive income
Beijing Rail Transit Operation Control System National Engineering Research Center Co., Ltd.	2,141,159.20	-	-	-	-	-	2,141,159.20	-	-	-	Non-trading holdings
Hunan Maglev Group Co., Ltd.	122,100,000.00	-	-	10,500,000.00	-	-	132,600,000.00	-	32,600,000.00	-	Non-trading holdings
Lunan High Speed Railway Co., Ltd.	383,392,729.44	-	-	-	-16,324,462.99	-	367,068,266.45	-	-	-2,569,267.55	Non-trading holdings
Ganzhou-Shenzhen Railway (Guangdong) Co., Ltd.	107,120,486.55	-	-	448,433.96	-	-	107,568,920.51	-	7,568,920.51	-	Non-trading holdings
Beijing Yawan High Speed Railway Co., Ltd.	460,520,575.65	-	-	-	-161,889,184.54	-	298,631,391.11	-	-	-186,953,556.89	Non-trading holdings

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVIII) Other equity instrument investments (Continued)

1. *Other equity instrument investments (Continued)*

Item	Opening balance	Increase/decrease for the period: Additional investment	Reduction of investment	Gains recognised in other comprehensive income for the period	Losses recognised in other comprehensive income for the period	Others	Closing balance	Dividend incomes recognised for the period	Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income	Reasons for being measured at fair value through other comprehensive income
Beijing China-Kyrgyzstan-Uzbekistan Railway Co., Ltd.	-	123,384,301.90	-	2,799.91	-	-	123,387,101.81	-	2,799.91	-	Non-trading holdings
Xiongan Jingxiong Express Rail Co., Ltd.	-	232,000,000.00	-	438,021.48	-	-	232,438,021.48	-	438,021.48	-	Non-trading holdings
Taizhou-Hangshaotai High-Speed Railway Investment Management Partnership (LLP)	137,268,855.19	-	-	-	-3,368,109.73	-	133,900,745.46	-	-	-13,329,720.54	Non-trading holdings
Total	1,212,543,806.03	355,384,301.90	-	11,389,255.35	-181,581,757.26	-	1,397,735,606.02	-	40,609,741.90	-202,852,544.98	/

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVIII) Other equity instrument investments (Continued)

2. Derecognition for the period

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

(XIX) Other non-current financial assets

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XX) Investment properties

Measurement model for investment properties

(1) Investment properties measured under cost method

January to June 2026

Unit: Yuan Currency: RMB

Item	Buildings	Land use rights	Total
I. Original book value			
1. Opening balance	499,764,219.79	118,614,400.00	618,378,619.79
2. Increase during the current period	32,730,504.62	–	32,730,504.62
(1) Purchased	–	–	
(2) Transferred from inventories\fixed assets\construction in progress	32,730,504.62	–	32,730,504.62
3. Decrease during the current period	–	–	–
4. Closing balance	532,494,724.41	118,614,400.00	651,109,124.41
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	245,340,779.37	43,188,157.89	288,528,937.26
2. Increase during the current period	8,094,179.24	1,371,052.63	9,465,231.87
(1) Provision or amortization	8,094,179.24	1,371,052.63	9,465,231.87
3. Decrease during the current period	–	–	–
4. Closing balance	253,434,958.61	44,559,210.52	297,994,169.13
III. Impairment provision			
1. Opening balance	–	–	–
2. Increase during the current period	–	–	–
3. Decrease during the current period	–	–	–
4. Closing balance	–	–	–
IV. Carrying amount			
1. Closing carrying amount	279,059,765.80	74,055,189.48	353,114,955.28
2. Opening carrying amount	254,423,440.42	75,426,242.11	329,849,682.53

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XX) Investment properties (Continued)

Measurement model for investment properties (Continued)

1. Investment properties measured under cost method (Continued)

2025

Unit: Yuan Currency: RMB

Item	Buildings	Land use rights	Total
I. Original book value			
1. Opening balance	490,484,146.70	118,614,400.00	609,098,546.70
2. Increase during the current period	13,318,050.73	–	13,318,050.73
(1) Purchased	–	–	–
(2) Transferred from inventories\fixed assets\ construction in progress	13,318,050.73	–	13,318,050.73
(3) Increased from enterprise merger	–	–	–
3. Decrease during the current period	4,037,977.64	–	4,037,977.64
(1) Disposal	201,200.00	–	201,200.00
(2) Other transfers out	3,836,777.64	–	3,836,777.64
4. Closing balance	499,764,219.79	118,614,400.00	618,378,619.79
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	219,708,866.46	40,446,052.62	260,154,919.08
2. Increase during the current period	27,447,591.49	2,742,105.27	30,189,696.76
(1) Provision or amortization	15,111,747.00	2,742,105.27	17,853,852.27
(2) Transfer from fixed assets	12,335,844.49	–	12,335,844.49
3. Decrease during the current period	1,815,678.58	–	1,815,678.58
(1) Disposal	201,200.00	–	201,200.00
(2) Other transfers out	1,614,478.58	–	1,614,478.58
4. Closing balance	245,340,779.37	43,188,157.89	288,528,937.26
III. Impairment provision			
IV. Carrying amount			
1. Closing carrying amount	254,423,440.42	75,426,242.11	329,849,682.53
2. Opening carrying amount	270,775,280.24	78,168,347.38	348,943,627.62

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XX) Investment properties(Continued)

2. *Information of investment properties to which a certificate of title has not been Obtained:*

☐ Applicable ☑ Not Applicable

3. *Impairment test of investment properties measured under cost method*

☐ Applicable ☑ Not Applicable

Other explanations

☐ Applicable ☑ Not Applicable

(XXI) Fixed assets

Presentation of item

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	**4,759,303,106.11**	4,901,045,878.62
Disposal of fixed asset	**50,186.95**	–
Total	**4,759,353,293.06**	4,901,045,878.62

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets

1. *Information about fixed assets*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Means of transportation vehicle	Electronic equipment and others	Total
I. Original book value:					
1. Opening balance	5,267,614,489.43	1,524,728,789.49	421,315,259.46	2,022,785,467.48	9,236,444,005.86
2. Increase during the current period	18,891,288.64	9,235,950.88	502,767.25	36,069,977.38	64,699,984.15
(1) Acquisition	5,778,743.80	502,767.25	34,991,633.15	41,273,144.20	71,199,283.98
(2) Transferred from construction in progress	18,891,288.64	3,457,207.08	–	1,078,344.23	23,426,839.95
3. Decrease during the current period	47,029.70	7,119,753.07	2,111,777.49	23,231,098.50	32,509,658.76
(1) Disposal or retirement	47,029.70	7,003,230.95	2,078,369.69	23,203,428.09	32,332,058.43
(2) Others	–	116,522.12	33,407.80	27,670.41	177,600.33
4. Closing balance	5,286,458,748.37	1,526,844,987.30	419,706,249.22	2,035,624,346.36	9,268,634,331.25

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets (Continued)

1. *Information about fixed assets (Continued)*

Item	Buildings	Machinery equipment	Means of transportation vehicle	Electronic equipment and others	Total
II. Accumulated depreciation					
1. Opening balance	1,495,960,999.12	1,070,214,602.67	421,076,656.79	1,348,113,750.60	4,335,366,009.18
2. Increase during the current period	71,010,443.30	47,055,519.28	20,404.95	86,095,083.46	204,181,450.99
(1) Provision	71,010,443.30	47,055,519.28	20,404.95	86,095,083.46	204,181,450.99
3. Decrease during the current period	1,023.88	6,757,517.16	2,084,607.39	21,405,204.66	30,248,353.09
(1) Disposal or retirement	1,023.88	6,724,308.36	2,052,201.83	21,384,143.69	30,161,677.76
(2) Others	–	33,208.80	32,405.56	21,060.97	86,675.33
4. Closing balance	1,566,970,418.54	1,110,512,604.79	419,012,454.35	1,412,803,629.40	4,509,299,107.08
III. Impairment provision					
1. Opening balance	32,118.06	32,118.06	–	–	32,118.06
2. Increase during the current period	–	–	–	–	–
3. Decrease during the current period	–	–	–	–	–
4. Closing balance	–	32,118.06	–	–	32,118.06
IV. Carrying amount					
1. Closing carrying amount	3,719,488,329.83	416,300,264.45	693,794.87	622,820,716.96	4,759,303,106.11
2. Opening carrying amount	3,771,653,490.31	454,482,068.76	238,602.67	674,671,716.88	4,901,045,878.62

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets (Continued)

1. *Information about fixed assets (Continued)*

2025

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Means of transportation vehicle	Electronic equipment and others	Total
I. Original book value :					
1. Opening balance	5,288,682,679.14	1,437,148,152.04	424,921,071.17	1,852,575,238.62	9,003,327,140.97
2. Increase during the current period	3,015,508.88	134,922,285.73	7,997,903.59	212,659,136.43	358,594,834.63
(1) Acquisition	1,227,533.51	51,408,571.66	7,997,903.59	179,570,589.72	240,204,598.48
(2) Transferred from construction in progress	1,787,975.37	83,513,714.07	–	33,088,546.71	118,390,236.15
3. Decrease during the current period	24,083,698.59	47,341,648.28	11,603,715.30	42,448,907.57	125,477,969.74
(1)Disposal or retirement	4,641,347.86	47,341,648.28	11,579,245.89	42,385,736.54	105,947,978.57
(2) Transferred from investment property	13,318,050.73	–	–	–	13,318,050.73
(3) Others	6,124,300.00	–	24,469.41	63,171.03	6,211,940.44
4. Closing balance	5,267,614,489.43	1,524,728,789.49	421,315,259.46	2,022,785,467.48	9,236,444,005.86

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets (Continued)

1. *Information about fixed assets (Continued)*

Item	Buildings	Machinery equipment	Means of transportation vehicle	Electronic equipment and others	Total
II. Accumulated depreciation					
1. Opening balance	1,373,908,939.77	1,017,110,480.54	416,217,814.15	1,238,800,980.68	4,046,038,215.14
2. Increase during the current period	141,112,807.63	86,895,182.58	15,785,108.15	151,020,128.17	394,813,226.53
(1) Provision	141,112,807.63	86,895,182.58	15,785,108.15	151,020,128.17	394,813,226.53
3. Decrease during the current period	19,060,748.28	33,791,060.45	10,926,265.51	41,707,358.25	105,485,432.49
(1) Disposal or retirement	2,615,971.34	33,791,060.45	10,902,917.24	41,683,807.43	88,993,756.46
(2) Transferred from investment property	12,335,844.49	–	–	–	12,335,844.49
(3) Others	4,108,932.45	–	23,348.27	23,550.82	4,155,831.54
4. Closing balance	1,495,960,999.12	1,070,214,602.67	421,076,656.79	1,348,113,750.60	4,335,366,009.18
III. Impairment provision					
1. Opening balance	–	32,118.06	–	–	32,118.06
2. Closing balance	–	32,118.06	–	–	32,118.06
IV. Carrying amount					
1. Closing carrying amount	3,771,653,490.31	454,482,068.76	238,602.67	674,671,716.88	4,901,045,878.62
2. Opening carrying amount	3,914,773,739.37	420,005,553.44	8,703,257.02	613,774,257.94	4,957,256,807.77

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets (Continued)

1. *Information about fixed assets (Continued)*

Notes: (1) As at 30 June 2026 and 31 December 2025, none of main fixed assets for production and operation of the Company became temporarily idle.

(2) As at 30 June 2026 and 31 December 2025, the Company had no fixed assets with title restriction.

(3) As of the approval date of this financial statement, the Company was applying for title certificate and handling registration or transfer procedures for houses and buildings with book values totaling RMB11,276,421.36 as of 30 June 2026. The management of the Company believed that the Company has the right to legally and effectively occupy and use the above-mentioned houses, and also believed that the above matters will not have any significant adverse impact on the overall financial position of the Company as at 30 June 2026.

2. *Temporarily-idle fixed assets*

☐ Applicable ☑ Not Applicable

3. *Fixed assets leased in through financial leases*

☐ Applicable ☑ Not Applicable

4. *Fixed assets for which title certificates have not been obtained*

☐ Applicable ☑ Not Applicable

5. *Impairment test of fixed assets*

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Disposal of fixed assets

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Means of transportation vehicle	43,532.99	–
Electronic equipment and others	6,653.96	–
Total	50,186.95	–

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXII) Construction in progress

Presentation of item

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	1,043,511,215.93	974,657,001.76
Total	1,043,511,215.93	974,657,001.76

Construction in progress

1. *Construction in progress*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for Impairment	Carrying amount	Gross carrying amount	Provision for Impairment	Carrying amount
CRSC Electrochemical Science and Technology Mansion	424,471,086.49	–	424,471,086.49	327,820,102.20	–	327,820,102.20
Digitalization and Intelligent Upgrade of Autonomous R&D Bases for Infrastructure of Train Control System of Rail Transit	380,401,306.44	–	380,401,306.44	368,983,269.05	–	368,983,269.05
Others	238,638,823.00	–	238,638,823.00	277,853,630.51	–	277,853,630.51
Total	1,043,511,215.93	–	1,043,511,215.93	974,657,001.76	–	974,657,001.76

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXII) Construction in progress (Continued)

Construction in progress (Continued)

2. *Changes in important projects under construction for the current period*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Project name	Budget	Opening balance	Increase during the current period	Amount transferred to fixed assets during the period	Other decrease during the period	Closing balance	Proportion of project investment to budget (%)	Project progress (%)	Cumulative amount of capitalised interest	Of which: Amount of interest capitalised during the current period	Interest capitalisation rate for the current period (%)	Source of funds
Digitalization and Intelligent Upgrade of Autonomous R&D Bases for Infrastructure of Train Control System of Rail Transit	540,553,500.00	368,983,269.05	11,418,037.39	–	–	380,401,306.44	70.37	70.37	–	–	/	Self-raised funds
Science and Technology Mansion	600,000,000.00	327,820,102.20	96,650,984.29	–	–	424,471,086.49	70.75	70.75	–	–	/	/
Others	–	277,853,630.51	16,942,537.07	23,426,839.95	32,730,504.63	238,638,823.00	–	–	–	–	/	Self-raised funds
Total	–	974,657,001.76	125,011,558.75	23,426,839.95	32,730,504.63	1,043,511,215.93	/	/	–	–	/	/

Notes: (1) As at 30 June 2026, the value of the Company's construction in progress subject to restrictions on ownership stood at RMB424,471,086.49.

(2) As at 30 June 2026, there were no circumstances requiring the Company to recognise an impairment provision in respect of its construction in progress.

NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXII) Construction in progress (Continued)

Construction in progress (Continued)

2. *Changes in important projects under construction for the current period (Continued)*

2025

Unit: Yuan Currency: RMB

Project name	Budget	Opening balance	Increase during the current period	Amount transferred to fixed assets during the period	Other decrease during the period	Closing balance	Proportion of project investment to budget (%)	Project progress	Cumulative amount of capitalised interest	Of which: Amount of interest capitalised during the current period	Interest capitalisation rate for the current period (%)	Source of funds
Digitalization and Intelligent Upgrade of Autonomous R&D Bases for Infrastructure of Train Control System of Rail Transit	540,553,500.00	347,535,616.26	21,447,652.79	–	–	368,983,269.05	68.26	68.26%	–	–	–	Self-raised funds
Science and Technology Mansion	600,000,000.00	277,336,841.64	50,483,260.56	–		327,820,102.20	54.64	54.64%	–	–	–	Self-raised funds
Others	–	184,437,312.36	222,254,884.93	127,002,766.08	1,835,800.70	277,853,630.51	–	–	–	–	–	Self-raised funds
Total	–	809,309,770.26	294,185,798.28	127,002,766.08	1,835,800.70	974,657,001.76	–	–	–	–	–	/

Notes: (1) As at 30 June 2025, the value of the Company's construction in progress subject to restrictions on ownership stood at RMB327,820,102.20.

(2) As at 30 June 2025, there were no circumstances requiring the Company to recognise an impairment provision in respect of its construction in progress.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXII) Construction in progress (Continued)

Construction in progress (Continued)

3. *Provision for impairment of construction in progress made during the period*

☐ Applicable ☑ Not Applicable

4. *Impairment test of construction in progress*

☐ Applicable ☑ Not Applicable

Other explanations

☐ Applicable ☑ Not Applicable

Construction materials

☐ Applicable ☑ Not Applicable

(XXIII) Productive biological assets

1. Productive biological assets measured under cost method

☐ Applicable ☑ Not Applicable

2. Impairment test of productive biological assets measured under cost method

☐ Applicable ☑ Not Applicable

3. Productive biological assets measured at fair value

☐ Applicable ☑ Not Applicable

Other explanations

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIV) Oil and gas assets

1. Oil and gas assets

☐ Applicable ☑ Not Applicable

2. Impairment test of oil and gas assets

☐ Applicable ☑ Not Applicable

(XXV) Right-of-use assets

1. Right-of-use assets

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Means of transportation vehicles	Electronic equipment and others	Total
I. Original book value					
1. Opening balance	505,164,356.52	8,051,928.73	2,353,351.93	491,413.72	516,061,050.90
2. Increase during the current period	22,579,836.60	5,561,667.34	849,830.39	–	28,991,334.33
(1) New leases	22,570,610.87	5,561,667.34	849,830.39	–	28,982,108.60
(2) Others	9,225.73	–	–	–	9,225.73
3. Decrease during the current period	18,382,797.58	4,650,565.02	–	–	23,033,362.60
(1) Disposal and others	18,382,797.58	4,650,565.02	–	–	23,033,362.60
4. Closing balance	509,361,395.54	8,963,031.05	3,203,182.32	491,413.72	522,019,022.63

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXV) Right-of-use assets (Continued)

1. Right-of-use assets (Continued)

Item	Buildings	Machinery equipment	Means of transportation vehicles	Electronic equipment and others	Total
II. Accumulated depreciation					
1. Opening balance	349,142,598.27	4,287,345.98	1,335,496.56	54,601.52	354,820,042.33
2. Increase during the current period	31,607,216.45	796,219.65	528,638.85	81,902.29	33,013,977.24
(1) Provision	31,607,216.45	796,219.65	528,638.85	81,902.29	33,013,977.24
3. Decrease during the current period	16,729,690.10	3,875,470.85	–	–	20,605,160.95
(1) Disposal and others	16,729,690.10	3,875,470.85	–	–	20,605,160.95
4. Closing balance	364,020,124.62	1,208,094.78	1,864,135.41	136,503.81	367,228,858.62
III. Impairment provision					
1. Opening balance	–	–	–	–	–
2. Increase during the current period	–	–	–	–	–
3. Decrease during the current period	–	–	–	–	–
4. Closing balance	–	–	–	–	–
IV. Carrying amount					
1. Closing carrying amount	145,341,270.92	7,754,936.27	1,339,046.91	354,909.91	154,790,164.01
2. Opening carrying amount	156,021,758.25	3,764,582.75	1,017,855.37	436,812.20	161,241,008.57

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXV) Right-of-use assets (Continued)

1. *Right-of-use assets (Continued)*

2025

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Means of transportation vehicles	Electronic equipment and others	Total
I. Original book value					
1. Opening balance	464,572,314.88	3,401,363.71	2,353,221.94	–	470,326,900.53
2. Increase during the current period	97,286,957.04	4,650,565.02	711,957.44	491,413.72	103,140,893.22
(1) New leases	97,286,957.04	4,650,565.02	711,957.44	491,413.72	103,140,893.22
(2) Revaluation adjustments	–	–	–	–	–
(3) Others	–	–	–	–	–
3. Decrease during the current period	56,694,915.40	–	711,827.45	–	57,406,742.85
(1) Disposal and others	56,694,915.40	–	711,827.45	–	57,406,742.85
4. Closing balance	505,164,356.52	8,051,928.73	2,353,351.93	491,413.72	516,061,050.90
II. Accumulated depreciation					
1. Opening balance	340,078,565.45	1,326,938.79	914,031.75	–	342,319,535.99
2. Increase during the current period	59,533,464.43	2,960,407.19	441,047.19	54,601.52	62,989,520.33
(1) Provision	59,533,464.43	2,960,407.19	441,047.19	54,601.52	62,989,520.33
(2) Others	–	–	–	–	–
3. Decrease during the current period	50,469,431.61	–	19,582.38	–	50,489,013.99
(1) Disposal and others	50,469,431.61	–	19,582.38	–	50,489,013.99
4. Closing balance	349,142,598.27	4,287,345.98	1,335,496.56	54,601.52	354,820,042.33
III. Impairment provision					
1. Opening balance	–	–	–	–	–
2. Increase during the current period	–	–	–	–	–
3. Decrease during the current period	–	–	–	–	–
4. Closing balance	–	–	–	–	–
IV. Carrying amount					
1. Closing carrying amount	156,021,758.25	3,764,582.75	1,017,855.37	436,812.20	161,241,008.57
2. Opening carrying amount	124,493,749.43	2,074,424.92	1,439,190.19	–	128,007,364.54

2. *Impairment test of right-of-use assets*

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVI) Intangible assets

1. Information about intangible assets

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Land use rights	Patents	Software	Unfinished contract	Customer relationships	Total
I. Original book value						
1. Opening balance	2,434,255,167.57	1,457,274,170.75	722,041,237.54	169,921,119.24	268,649,028.19	5,052,140,723.29
2. Increase during the current period	–	–	1,319,388.88	–	–	1,319,388.88
(1) Acquisition	–	–	1,319,388.88	–	–	1,319,388.88
3. Decrease during the current period	–	–	75,384.62	–	–	75,384.62
(1) Disposal	–	–	75,384.62	–	–	75,384.62
4. Closing balance	2,434,255,167.57	1,457,274,170.75	723,285,241.80	169,921,119.24	268,649,028.19	5,053,384,727.55
II. Accumulated amortization						
1. Opening balance	644,198,020.88	903,886,398.27	514,058,141.16	169,921,119.24	248,108,977.10	2,480,172,656.65
2. Increase during the current period	25,338,034.65	62,390,205.72	38,550,053.49	–	7,689,444.07	133,967,737.93
(1) Provision	25,338,034.65	62,390,205.72	38,550,053.49	–	7,689,444.07	133,967,737.93
3. Decrease during the current period	–	–	75,384.62	–	–	75,384.62
(1) Disposal	–	–	75,384.62	–	–	75,384.62
4. Closing balance	669,536,055.53	966,276,603.99	552,532,810.03	169,921,119.24	255,798,421.17	2,614,065,009.96
III. Impairment provision	–	–	–	–	–	–
1. Opening balance	–	–	–	–	–	–
2. Increase during the current period	–	–	–	–	–	–
3. Decrease during the current period	–	–	–	–	–	–
4. Closing balance	–	–	–	–	–	–
IV. Carrying amount						
1. Closing carrying amount	1,764,719,112.04	490,997,566.76	170,752,431.77	–	12,850,607.02	2,439,319,717.59
2. Opening carrying amount	1,790,057,146.69	553,387,772.48	207,983,096.38	–	20,540,051.09	2,571,968,066.64

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVI) Intangible assets (Continued)

1. Information about intangible assets (Continued)

☑ Applicable ☐ Not Applicable

2025

Unit: Yuan Currency: RMB

Item	Land use rights	Patents	Software	Unfinished contract	Customer relationships	Total
I. Original book value						
1. Opening balance	2,441,874,299.32	1,352,630,547.11	607,045,730.90	169,921,119.24	268,649,028.19	4,840,120,724.76
2. Increase during the current period	474,682.71	104,643,623.64	131,066,965.21	–	–	236,185,271.56
(1) Acquisition	474,682.71	30,470,471.79	113,367,807.33	–	–	144,312,961.83
(2) Internal R&D	–	74,173,151.85	9,086,627.95	–	–	83,259,779.80
(3) Increased from enterprise merger	–	–	–	–	–	–
(4) Transferred from construction under progress	–	–	8,612,529.93	–	–	8,612,529.93
3. Decrease during the current period	8,093,814.46	–	16,071,458.57	–	–	24,165,273.03
(1) Disposal	8,093,814.46	–	16,071,458.57	–	–	24,165,273.03
4. Closing balance	2,434,255,167.57	1,457,274,170.75	722,041,237.54	169,921,119.24	268,649,028.19	5,052,140,723.29
II. Accumulated amortization						
1. Opening balance	595,738,229.30	744,667,895.37	457,310,567.67	169,921,119.24	245,582,811.42	2,213,220,623.00
2. Increase during the current period	50,791,907.62	159,218,502.90	72,818,929.50	–	2,526,165.68	285,355,505.70
(1) Provision	50,791,907.62	159,218,502.90	72,818,929.50	–	2,526,165.68	285,355,505.70
3. Decrease during the current period	2,332,116.04	–	16,071,356.01	–	–	18,403,472.05
(1) Disposal	2,332,116.04	–	16,071,356.01	–	–	18,403,472.05
4. Closing balance	644,198,020.88	903,886,398.27	514,058,141.16	169,921,119.24	248,108,977.10	2,480,172,656.65
III. Impairment provision	–	–	–	–	–	–
IV. Carrying amount						
1. Closing carrying amount	1,790,057,146.69	553,387,772.48	207,983,096.38	–	20,540,051.09	2,571,968,066.64
2. Opening carrying amount	1,846,136,070.02	607,962,651.74	149,735,163.23	–	23,066,216.77	2,626,900,101.76

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVI) Intangible assets (Continued)

1. Information about intangible assets (Continued)

Notes: (1) As of 30 June 2026, the carrying amount of intangible assets with title restriction was RMB82,884,231.15 (31 December 2025: 84,289,048.63).

(2) At the end of the period, the intangible assets derived from internal research and development accounted for 0.00% of the balance of intangible assets (2025: 1.65%).

(3) As of the approval date of this financial statement, the Company has obtained the title certificates and completed the procedures for registration for the land use rights.

2. Data resources recognised as intangible assets

☐ Applicable ☑ Not Applicable

3. Information about land use rights for which a certificate of title has not been obtained

☐ Applicable ☑ Not Applicable

4. Impairment test of intangible assets

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill

1. Original carrying amount of goodwill

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Opening balance	Increase during the period		Decrease during the period	Closing balance
		Arising from business combination	Others	Disposal	
CASCO	201,027,354.70	–	–	–	201,027,354.70
Changsha Architectural Design Institute Co., Ltd. ("Changsha Design Institute")	37,429,932.37	–	–	–	37,429,932.37
Electrification Bureau	30,525,980.16	–	–	–	30,525,980.16
CRSC (Zhengzhou) Zhong'an Engineering Co., Ltd. ("Zhengzhou Zhong'an")	27,673,509.65	–	–	–	27,673,509.65
CRSC Wanquan Signal Equipment Co., LTD. (通號萬全信號設備有限公司) ("CRSC Wanquan")	3,865,524.80	–	–	–	3,865,524.80
CRSC First Construction Co., Ltd. ("First Construction")	3,802,223.24	–	–	–	3,802,223.24
Shanghai Deuta Electronic & Electrical Equipment Co., Ltd. ("Shanghai Deuta")	669,345.89	–	–	–	669,345.89
Others	330,257.77	–	–	–	330,257.77
Total	305,324,128.58	–	–	–	305,324,128.58

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

1. *Original carrying amount of goodwill (Continued)*

2025

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Opening balance	Increase during the period: Arising from business combination	Increase during the period: Others	Decrease during the period: Disposal	Closing balance
CASCO	201,027,354.70	–	–	–	201,027,354.70
Changsha Architectural Design Institute Co., Ltd. ("Changsha Design Institute")	37,429,932.37	–	–	–	37,429,932.37
Electrification Bureau	30,525,980.16	–	–	–	30,525,980.16
CRSC (Zhengzhou) Zhong'an Engineering Co., Ltd. ("Zhengzhou Zhong'an")	27,673,509.65	–	–	–	27,673,509.65
CRSC Wanquan Signal Equipment Co., LTD. (通號萬全信號設備有限公司) ("CRSC Wanquan")	3,865,524.80	–	–	–	3,865,524.80
CRSC First Construction Co., Ltd. ("First Construction")	3,802,223.24	–	–	–	3,802,223.24
Shanghai Deuta Electronic & Electrical Equipment Co., Ltd. ("Shanghai Deuta")	669,345.89	–	–	–	669,345.89
Others	330,257.77	–	–	–	330,257.77
Total	305,324,128.58	–	–	–	305,324,128.58

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

2. Provision for impairment of goodwill

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision	Others	Disposal	Others	
Changsha Design Institute	**25,768,400.00**	–	–	–	–	**25,768,400.00**
Zhengzhou Zhong'an	**16,664,700.00**	–	–	–	–	**16,664,700.00**
Total	**42,433,100.00**	–	–	–	–	**42,433,100.00**

2025

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision	Others	Disposal	Others	
Changsha Design Institute	25,768,400.00	–	–	–	–	25,768,400.00
Zhengzhou Zhong'an	16,664,700.00	–	–	–	–	16,664,700.00
Total	42,433,100.00	–	–	–	–	42,433,100.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

3. Information about the asset group or combination of asset groups to which the goodwill belongs

☐ Applicable ☑ Not Applicable

Changes in the asset group or combination of asset groups

☐ Applicable ☑ Not Applicable

Other explanations

☐ Applicable ☑ Not Applicable

4. Method to determine the recoverable amount

The recoverable amount is net fair value less costs of disposal

☐ Applicable ☑ Not Applicable

The recoverable amount is the present value of estimated future cash flows

☐ Applicable ☑ Not Applicable

Reasons for significant inconsistence between the aforesaid information and the information used by the previous impairment test or external information

☐ Applicable ☑ Not Applicable

Reasons for inconsistence between the information used by the Company for previous impairment tests and the facts for the corresponding years

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

5. Performance commitments and the impact on goodwill impairment test

Performance commitments exist when goodwill is recognized and the reporting period or the period preceding the reporting period is within the period of the commitments

☐ Applicable ☑ Not Applicable

Other explanations

☐ Applicable ☑ Not Applicable

(XXVIII) Long-term deferred expenses

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	**Opening balance**	**Increase during the period**	**Amortization for the period**	**Other deduction**	**Closing balance**
Costs of improvements to fixed assets under operating leases and others	**26,633,710.67**	**1,257,137.24**	**9,523,588.87**	**1,818,239.24**	**16,549,019.80**
Total	**26,633,710.67**	**1,257,137.24**	**9,523,588.87**	**1,818,239.24**	**16,549,019.80**

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Amortization for the period	Other deduction	Closing balance
Costs of improvements to fixed assets under operating leases and others	36,901,102.20	10,530,559.08	20,797,950.61	–	26,633,710.67
Total	36,901,102.20	10,530,559.08	20,797,950.61	–	26,633,710.67

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIX) Deferred tax assets/liabilities

1. Deferred tax assets not offset

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	**Deferred income tax assets**	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	**2,894,132,030.58**	**631,218,356.85**	2,872,870,524.44	629,307,709.06
Recognition of lease liabilities	**150,036,674.22**	**27,815,466.04**	148,235,492.99	26,931,156.01
Unrealized profits in intra-group transactions	**51,670,393.90**	**12,917,598.48**	58,990,578.71	13,496,791.88
Deferred income	**169,876,255.28**	**27,771,691.78**	171,906,205.12	28,114,790.47
Estimated liabilities	**43,024,908.17**	**5,554,458.39**	53,495,227.25	8,446,819.47
Unpaid employee benefits payable	**50,567,548.08**	**9,466,307.27**	45,350,342.03	8,127,286.02
Others	**280,957,601.58**	**69,037,655.59**	255,705,959.38	62,791,782.67
Total	**3,640,265,411.81**	**783,781,534.40**	3,606,554,329.92	777,216,335.58

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIX) Deferred tax assets/liabilities (Continued)

2. *Deferred tax liabilities not offset*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Depreciation of fixed assets	89,218,047.01	13,382,707.05	83,367,849.00	12,505,177.35
Recognition of right-of-use assets	154,790,164.01	28,152,272.31	161,241,008.57	28,509,605.16
Fair value adjustment of business combination not under common control	46,611,653.25	10,618,747.20	48,180,811.32	10,994,017.93
Floating profit and loss in portion of positions of copper futures	1,120,800.00	168,120.00	15,276,890.00	2,291,533.50
Others	224,565,844.74	54,001,680.73	201,329,006.42	49,640,254.61
Total	516,306,509.01	106,323,527.29	509,395,565.31	103,940,588.55

3. *Deferred tax assets or liabilities stated on a net basis after offset*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Amounts offset between deferred tax assets and liabilities	Net deferred tax assets or liabilities after offsetting	Amounts offset between deferred tax assets and liabilities	Net deferred tax assets or liabilities after offsetting
Deferred tax assets	50,431,968.59	733,349,565.81	51,947,744.62	725,268,590.96
Deferred tax liabilities	50,431,968.59	55,891,558.70	51,947,744.62	51,992,843.93

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIX) Deferred tax assets/liabilities (Continued)

4. *Breakdown of unrecognised deferred tax assets*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	**47,265,097.95**	38,991,148.30
Deductible loss	**1,267,162,191.15**	1,088,169,945.36
Total	**1,314,427,289.10**	1,127,161,093.66

5. *Deductible loss for which no deferred tax assets are recognised will become due in the following years*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance	Remarks
2026	**–**	69,191,376.50	
2027	**36,668,140.25**	43,830,165.39	
2028	**28,949,489.52**	28,949,489.52	
2029	**101,801,583.83**	101,801,583.83	
2030	**196,556,348.49**	225,535,841.55	
2031	**216,488,963.08**	22,304,698.40	
2032	**70,847,173.46**	70,847,173.46	
2033	**99,319,540.29**	99,319,540.29	
2034	**238,036,497.17**	238,036,497.17	
2035	**167,050,342.70**	188,353,579.25	
2036	**111,444,112.36**	–	
Total	**1,267,162,191.15**	1,088,169,945.36	/

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXX) Other non-current assets

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Project quality deposit	1,647,446,950.59	5,480,068.22	1,641,966,882.37	1,580,142,488.11	5,607,408.98	1,574,535,079.13
Prepayment for fixed assets	1,145,440.00	–	1,145,440.00	125,740.00	–	125,740.00
Receivables of "Build-Operate-Transfer" project	5,127,761,690.97	57,241,678.18	5,070,520,012.79	5,114,137,648.67	58,448,540.20	5,055,689,108.47
Fixed deposit interest	1,026,055.56	–	1,026,055.56	22,231,944.45	–	22,231,944.45
Total	6,777,380,137.12	62,721,746.40	6,714,658,390.72	6,716,637,821.23	64,055,949.18	6,652,581,872.05

Note: As at 30 June 2026, the Company's book value of other non-current assets of RMB4,794,895,412.70 and book value of receivables of RMB669,656,765.10 (31 December 2025: other non-current assets of RMB4,738,943,742.04 and receivables of RMB688,685,201.79), which were formed by the earning rights of the franchise pledged and all proceeds thereunder were used to obtain long-term loans of RMB2,843,253,923.00 (31 December 2025: RMB2,972,083,923.00). See Note "VII. (XXXI)" for details.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXX) Other non-current assets (Continued)

Provision for bad debt regarding other non-current assets

January to June 2026

Categories	Opening balance	Increase/decrease during the period: Provision	Increase/decrease during the period: Recovery or reversal	Increase/decrease during the period: Write-off or cancellation	Closing balance
Provision for bad debt	**64,055,949.18**	**-1,334,202.78**	**–**	**–**	**62,721,746.40**
Total	**64,055,949.18**	**-1,334,202.78**	**–**	**–**	**62,721,746.40**

2025

Categories	Opening balance	Increase/decrease during the period: Provision	Increase/decrease during the period: Recovery or reversal	Increase/decrease during the period: Write-off or cancellation	Closing balance
Provision for bad debt	62,342,216.93	1,713,732.25	–	–	64,055,949.18
Total	62,342,216.93	1,713,732.25	–	–	64,055,949.18

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXI) Assets with restricted ownership or right of use

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing				Opening			
	Gross carrying amount	Carrying amount	Type	Description of restriction	Gross carrying amount	Carrying amount	Type	Description of restriction
Monetary funds	510,984,434.60	510,984,434.60	Others	Acceptance bill deposits, guarantee letter deposits and others	542,779,025.99	542,779,025.99	Others	Acceptance bill deposits, guarantee letter deposits and others
Notes receivable	245,311,851.52	244,677,408.55	Pledge	Pledged borrowings	270,507,694.57	269,808,807.17	Pledge	Pledged borrowings
Accounts receivable	781,656,765.10	712,915,829.01	Pledge	Pledged borrowings, factoring	923,535,105.31	812,083,256.38	Pledge	Pledged borrowings, factoring
Long-term receivables	230,000,000.00	228,850,000.00	Others	Factoring	230,000,000.00	228,850,000.00	Others	Factoring
Other non-current assets	4,794,895,412.70	4,776,584,400.65	Pledge	Pledged borrowings	4,738,943,742.04	4,720,800,585.00	Pledge	Pledged borrowings
Intangible assets	82,884,231.15	82,884,231.15	Pledge	Pledged borrowings	84,289,048.63	84,289,048.63	Pledge	Pledged borrowings
Construction in progress	424,471,086.49	424,471,086.49	Pledge	Pledged borrowings	327,820,102.20	327,820,102.20	Pledge	Pledged borrowings
Total	7,070,203,781.56	6,981,367,390.45	/	/	7,117,874,718.74	6,986,430,825.37	/	/

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXII) Short-term borrowings

1. Breakdown of short-term borrowings

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	**Closing balance**	Opening balance
Pledged borrowings	**38,448,161.86**	97,888,684.08
Credit borrowings	**2,488,888.89**	72,587,767.42
Total	**40,937,050.75**	170,476,451.50

Description of classification of short-term borrowings:

Note: As of 30 June 2026, the Company pledged bank acceptance bills and commercial acceptance bills with carrying amounts of RMB5,710,375.00 and RMB32,737,786.86, respectively, as collateral to secure short-term borrowings of RMB38,448,161.86. (As of 31 December 2025, the Company pledged bank acceptance bills and commercial acceptance bills with carrying amounts of RMB673,270.00 and RMB97,215,414.08, respectively, as collateral to secure short-term borrowings of RMB97,888,684.08). Please see Note "VII. (XXXI)".

2. Overdue but unpaid short-term borrowings

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXIII) Financial liabilities held-for-trading

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

(XXXIV) Derivative financial liabilities

☐ Applicable ☑ Not Applicable

(XXXV) Bills payable

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills	**440,217,545.20**	889,242,049.47
Bank acceptance bills	**700,130,675.91**	802,022,462.14
Total	**1,140,348,221.11**	1,691,264,511.61

Note: As of 30 June 2026 and 31 December 2025, the Company did not have overdue but unpaid bills payable.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXVI) Accounts payable

1. Accounts payable by aging on recording dates

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	**20,875,681,435.37**	20,288,727,791.04
1 to 2 years	**6,723,761,942.00**	7,965,204,582.58
2 to 3 years	**3,546,058,798.44**	4,266,950,020.09
Over 3 years	**6,642,551,184.77**	6,699,226,150.56
Total	**37,788,053,360.58**	39,220,108,544.27

2. Major accounts payable aged over one year

☑ Applicable ☐ Not Applicable

As at 30 June 2026, the total of the top five accounts payable aged over one year amounted to RMB917,657,066.28.

As at 31 December 2025, the total of the top five accounts payable aged over one year amounted to RMB997,298,239.68.

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXVII) Receipts in advance

(1) Breakdown of advance receipts

☐ Applicable ☑ Not Applicable

(2) Major advance receipts aged over one year

☐ Applicable ☑ Not Applicable

(3) Amount of and reason for significant change in carrying amount within the Reporting Period

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXVIII) Contract liabilities

(1) Breakdown of contract liabilities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Advances	**2,166,656,419.29**	2,004,381,100.73
Incomplete project, settled	**7,879,812,629.33**	7,647,371,945.70
Total	**10,046,469,048.62**	9,651,753,046.43

(2) Major contract liabilities aged over one year

☐ Applicable ☑ Not Applicable

(3) Amount of and reason for significant change in carrying amount within the Reporting Period

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Change in amount	Reasons for change
Advances	**162,275,318.56**	New advances received during the period
Incomplete project, settled	**232,440,683.63**	New settlement projects in this period
Total	**394,716,002.19**	/

Note: The contract liabilities of RMB365,215,198.76 included in the carrying amount as at 31 December 2025 have been transferred to revenue in the first half of 2026.

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXIX) Amounts due from repurchase agreements of financial assets

Item	Closing balance	Opening balance
Financial assets sold for repurchase	–	16,950,121.15
Total	–	16,950,121.15

Note: The ending balance represents bill discounting business with repurchase agreements conducted by the finance company at the central bank.

(XL) Customers deposits and deposits from banks and other financial institutions

Item	Closing balance	Opening balance
Deposits absorbed by the finance company	**673,760,677.58**	1,035,278,439.21
Total	**673,760,677.58**	1,035,278,439.21

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLI) Employee benefits payable

(1) Breakdown of employee benefits payable

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term benefits	**705,303,752.66**	**2,182,084,136.22**	**2,040,814,128.51**	**846,573,760.37**
II. Post-employment benefits (defined contribution plan)	**30,495,088.60**	**394,995,314.08**	**393,430,027.01**	**32,060,375.67**
III. Dismissal benefits	**–**	**4,269,225.17**	**4,239,554.82**	**29,670.35**
IV. Other benefits due within one year	**34,840,000.00**	**1,916,354.37**	**16,342,481.79**	**20,413,872.58**
V. Others	**–**	**1,834,172.33**	**1,834,172.33**	**–**
Total	**770,638,841.26**	**2,585,099,202.17**	**2,456,660,364.46**	**899,077,678.97**

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term benefits	839,210,803.41	5,751,170,647.73	5,885,077,698.48	705,303,752.66
II. Post-employment benefits (defined contribution plan)	32,293,780.19	759,209,362.54	761,008,054.13	30,495,088.60
III. Dismissal benefits	–	10,081,766.72	10,081,766.72	–
IV. Other benefits due within one year	37,241,000.00	28,496,384.92	30,897,384.92	34,840,000.00
Total	908,745,583.60	6,548,958,161.91	6,687,064,904.25	770,638,841.26

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLI) Employee benefits payable (Continued)

1. *Breakdown of short-term benefits*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses, allowances and subsidies	22,838,629.09	1,504,270,479.35	1,352,978,383.63	174,130,724.81
II. Employee welfare benefits	458,927,764.84	90,753,339.62	90,759,879.62	458,921,224.84
III. Social insurance premiums	31,850,411.83	227,757,992.76	227,844,111.64	31,764,292.95
Including: Medical insurance premiums	30,451,702.14	212,617,541.17	212,557,688.82	30,511,554.49
Industrial injury insurance premiums	546,356.16	10,249,727.66	10,277,260.00	518,823.82
Maternity insurance premiums	643,355.65	1,126,204.07	1,088,071.05	681,488.67
Others	208,997.88	3,764,519.86	3,921,091.77	52,425.97
IV. Housing provident fund	3,268,348.72	217,514,349.68	216,851,745.88	3,930,952.52
V. Labour union funds and staff education funds	187,499,322.94	40,918,728.53	51,328,791.21	177,089,260.26
VI. Short-term compensated absences	–	–	–	–
VII. Short-term profit-sharing plan	–	–	–	–
VIII. Others	919,275.24	100,869,246.28	101,051,216.53	737,304.99
Total	705,303,752.66	2,182,084,136.22	2,040,814,128.51	846,573,760.37

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLI) Employee benefits payable (Continued)

2. Breakdown of short-term benefits (Continued)

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses, allowances and subsidies	119,506,788.74	4,259,920,846.40	4,356,589,006.05	22,838,629.09
II. Employee welfare benefits	458,928,284.84	238,862,794.10	238,863,314.10	458,927,764.84
III. Social insurance premiums	64,627,599.37	460,001,967.30	492,779,154.84	31,850,411.83
Including: Medical insurance premiums	60,540,079.26	398,991,025.77	429,079,402.89	30,451,702.14
Industrial injury insurance premiums	516,567.77	20,925,346.99	20,895,558.60	546,356.16
Maternity insurance premiums	637,485.73	3,254,430.31	3,248,560.39	643,355.65
Others	2,933,466.61	36,831,164.23	39,555,632.96	208,997.88
IV. Housing provident fund	3,422,442.85	423,797,550.28	423,951,644.41	3,268,348.72
V. Labour union funds and staff education funds	187,583,641.84	122,055,509.88	122,139,828.78	187,499,322.94
VI. Short-term compensated absences	–	–	–	–
VII. Short-term profit-sharing plan	–	–	–	–
VIII. Others	5,142,045.77	246,531,979.77	250,754,750.30	919,275.24
Total	839,210,803.41	5,751,170,647.73	5,885,077,698.48	705,303,752.66

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLI) Employee benefits payable (Continued)

3. Breakdown of defined contribution plan

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	**Opening balance**	**Increase during the period**	**Decrease during the period**	**Closing balance**
1. Basic pension insurance	**21,375,133.90**	**292,007,202.16**	**291,666,108.58**	**21,716,227.48**
2. Unemployment insurance	**659,920.62**	**10,347,034.54**	**10,328,869.57**	**678,085.59**
3. Enterprise annuity payment	**8,460,034.08**	**92,641,077.38**	**91,435,048.86**	**9,666,062.60**
Total	**30,495,088.60**	**394,995,314.08**	**393,430,027.01**	**32,060,375.67**

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension insurance	20,756,976.99	572,128,807.27	571,510,650.36	21,375,133.90
2. Unemployment insurance	657,855.37	19,961,339.07	19,959,273.82	659,920.62
3. Enterprise annuity payment	10,878,947.83	167,119,216.20	169,538,129.95	8,460,034.08
Total	32,293,780.19	759,209,362.54	761,008,054.13	30,495,088.60

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLII) Taxes payable

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	**412,157,599.02**	661,997,352.94
Enterprise income tax	**242,503,644.20**	306,683,497.80
Individual income tax	**4,608,326.96**	161,175,645.76
Urban maintenance and construction tax	**10,214,798.81**	25,700,801.82
Property tax	**2,491,512.09**	2,543,649.39
Educational surcharge	**7,461,077.73**	19,094,423.41
Land use tax	**1,152,035.85**	1,152,144.48
Others	**511,166.33**	3,113,354.69
Total	**681,100,160.99**	1,181,460,870.29

(XLIII) Other payables

1. Presentation of item

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	**–**	–
Dividends payable	**1,819,907,503.53**	11,764,619.61
Other payables	**1,781,638,225.99**	2,188,116,899.80
Total	**3,601,545,729.52**	2,199,881,519.41

2. Interests payable

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLIII) Other payables (Continued)

3. Dividends payable

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends of ordinary shares	**1,800,269,230.00**	–
DEUTA GROUP GmbH	**5,493,653.92**	–
Jishou Tengda Economic Construction and Investment Co., Ltd.	**5,183,939.52**	5,183,939.52
Jishou Huatai Underground Pipeline Investment and Construction Co., Ltd.	**2,556,314.30**	2,556,314.30
Guangzhou Railway Technology Development Co., Ltd.	**2,380,000.00**	–
Taixing Zhiguang Technology Talents Plaza Management Co., Ltd.	**2,270,000.00**	2,270,000.00
Eltek AS	**586,693.80**	586,693.80
Zenitel Norway AS	**507,424.50**	507,424.50
Hangzhou Tianyue Win-Win Corporate Management Partnership (Limited Partnership)	**142,749.50**	142,749.50
Ordos State-owned Assets Investment Holding Group Co., Ltd.	**517,497.99**	517,497.99
Total	**1,819,907,503.53**	11,764,619.61

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLIII) Other payables (Continued)

4. Other payables

Breakdown of other payables by nature

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deposits and margins	**824,638,350.81**	1,243,639,280.84
Current payments	**501,031,383.87**	275,991,330.92
Acquisition of fixed assets	**45,462,616.67**	38,771,579.79
Public facility maintenance funds	**9,962,174.48**	10,859,677.72
Others	**400,543,700.16**	618,855,030.53
Total	**1,781,638,225.99**	2,188,116,899.80

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLIII) Other payables (Continued)

4. Other payables (Continued)

Significant other payables with aging over one year or overdue

☑ Applicable ☐ Not Applicable

As at 30 June 2026, the total of the top five other accounts payable aged over one year amounted to RMB204,629,555.55.

As at 31 December 2025, the total of the top five other accounts payable aged over one year amounted to RMB350,867,315.73.

Other explanations:

☐ Applicable ☑ Not Applicable

(XLIV) Liabilities held for sale

☑ Applicable ☐ Not Applicable

(XLV) Non-current liabilities due within one year

☐ Applicable ☑ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	**378,880,000.00**	386,067,362.07
Long-term payables due within one year	**55,414,735.54**	55,414,735.54
Lease liabilities due within one year	**50,433,172.95**	48,333,280.16
Total	**484,727,908.49**	489,815,377.77

Note: Please see the note "VII. (XLVII)" for details of long-term borrowings, the note "VII. (XLIX)" for details of lease liabilities, and the note "VII. (L)" for details of long-term payables.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLVI) Other current liabilities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Output VAT to be transferred	**943,652,645.79**	939,389,745.11
Estimated liabilities due within one year	**19,203,793.92**	27,612,890.02
Total	**962,856,439.71**	967,002,635.13

Note: Please see the note "VII. (LII)" for details of the estimated liabilities.

Increase or decrease in short-term bonds payable:

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLVII) Long-term borrowings

1. Breakdown of long-term borrowings

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Balance	**7,930,753,923.00**	7,901,871,285.07
Pledged borrowings	**2,843,253,923.00**	2,972,083,923.00
Mortgage loan	**300,000,000.00**	300,294,568.18
Credit borrowings	**4,787,500,000.00**	4,629,492,793.89
Less: Long-term borrowings due within one year	**378,880,000.00**	386,067,362.07
Pledged borrowings	**338,380,000.00**	365,280,000.00
Mortgage loan	**15,000,000.00**	294,568.18
Credit borrowings	**25,500,000.00**	20,492,793.89
Long-term borrowings due after one year	**7,551,873,923.00**	7,515,803,923.00
Pledged borrowings	**2,504,873,923.00**	2,606,803,923.00
Mortgage loan	**285,000,000.00**	300,000,000.00
Credit borrowings	**4,762,000,000.00**	4,609,000,000.00
Total	**7,551,873,923.00**	7,515,803,923.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLVII) Long-term borrowings

1. Breakdown of long-term borrowings (Continued)

Classification of long-term borrowings:

Notes: 1. As of 30 June 2026, the Company pledged other non-current assets amounting to RMB4,794,895,412.70 formed from the revenue rights of franchise operations and all income thereunder, as well as accounts receivable of RMB669,656,765.10 (as of 31 December 2025: other non-current assets of RMB4,738,943,742.04 and accounts receivable of RMB688,685,201.79) to secure a long-term borrowing of RMB2,843,253,923.00 (as of 31 December 2025: RMB2,972,083,923.00); of which RMB338,380,000.00 is due within one year.

2. As at 30 June 2026, the Company's credit borrowings amounted to RMB52,000,000.00 were the credit borrowings from the Bank of Chengdu that were guaranteed by the Company's third-tier subsidiary First Construction for its subsidiary Yibin Tonghao Hongshun Project Management Co., Ltd..

3. As at 30 June 2026, the credit borrowings amounted to RMB4,000,000,000.00, which represent entrusted loans borrowed by the Company from its parent company, China Railway Signal and Communication (Group) Corporation Limited.

4. The above bank borrowings (including short-term borrowings) are made with variable annual interest rates ranging from 1.35% to 5.39% (31 December 2025: 2.40% to 5.39%).

5. As at 30 June 2026, the long-term borrowing balance due within one to two years was RMB192,363,871.94, the long-term borrowing balance due within two to five years was RMB4,934,593,334.17, and the long- term borrowing balance due over five years was RMB2,424,916,716.89. (As at 31 December 2025, the long-term borrowing balance due within one to two years was RMB193,363,871.94, the long-term borrowing balance due within two to five years was RMB4,775,293,334.17, and the long-term borrowing balance due over five years was RMB2,547,146,716.89.)

6. For the details of long-term borrowings due within one year, please see Note "VII. (XLV)".

Other explanations

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLVIII) Bonds payable

1. Bonds payable

☐ Applicable ☑ Not Applicable

2. Increase or decrease in bonds payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

☐ Applicable ☑ Not Applicable

3. Explanation about convertible corporate bonds

☐ Applicable ☑ Not Applicable

Accounting treatment and judgment basis for conversion into equities

☐ Applicable ☑ Not Applicable

4. Explanation about other financial instruments classified as financial liabilities

Basic information on preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

☐ Applicable ☑ Not Applicable

Statement on changes in preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

☐ Applicable ☑ Not Applicable

Explanation about basis for classifying other financial instruments as financial liabilities

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLIX) Lease liabilities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	**150,036,674.22**	148,235,492.99
Reclassified as non-current liabilities due within one year	**50,433,172.95**	48,333,280.16
Total	**99,603,501.27**	99,902,212.83

Item	Closing balance	Opening balance
Opening balance for the year	**148,235,492.99**	114,100,369.54
Increase for the year	**32,028,160.78**	103,140,893.22
Interest expense	**2,915,636.56**	5,215,521.20
Lease payments for the year	**-29,154,749.86**	-66,859,921.53
Modification of lease for the year	**-3,987,866.25**	-7,361,369.44
Closing balance for the year	**150,036,674.22**	148,235,492.99

Note: For the details of lease liabilities due within one year, please see Note "VII. (XLV)".

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(L) Long-term payables

Presentation of item

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	**47,316,374.84**	47,316,374.84
Special payables	**–**	–
Total	**47,316,374.84**	47,316,374.84

Long-term payables

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction quality guarantee deposits	**102,731,110.38**	102,731,110.38
Less: Long-term payables due within one year	**55,414,735.54**	55,414,735.54
Total	**47,316,374.84**	47,316,374.84

Note: For the details of long-term payables due within one year, please see Note "VII. (XLV)".

Special payables

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LI) Long-term employee benefits payable

☑ Applicable ☐ Not Applicable

1. Statement on long-term employee benefits payable

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Post-employment benefits – Net liabilities under defined benefit plans	**523,242,503.84**	541,014,000.00
Dismissal benefits	**5,412,826.14**	5,511,000.00
Subtotal	**528,655,329.98**	546,525,000.00
Less: Remunerations payable within one year	**20,413,872.58**	34,840,000.00
Total	**508,241,457.40**	511,685,000.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LI) Long-term employee benefits payable (Continued)

2. Changes in defined benefit plans

Present value of obligations under defined benefit plans:

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
I. Opening balance	**546,525,000.00**	612,871,000.00
II. The defined benefit cost included in the current profit and loss	**2,135,391.05**	6,061,000.00
1. Current service costs	**2,135,391.05**	–
2. Past service costs	**–**	-3,757,000.00
3. Settlement gains (losses indicated by "-")	**–**	-558,000.00
4. Net interests	**–**	10,376,000.00
III. The defined benefits cost included in other comprehensive income	**–**	-39,139,000.00
1. Actuarial gains (losses indicated by "-")	**–**	-39,139,000.00
2. Others	**–**	–
IV. Other changes	**-20,005,061.07**	-33,268,000.00
1. Consideration paid at settlement	**–**	–
2. Benefits paid	**-20,005,061.07**	-33,268,000.00
V. Closing balance	**528,655,329.98**	546,525,000.00
Less: Amount due within one year	**20,413,872.58**	34,840,000.00
VI. Amount due after one year	**508,241,457.40**	511,685,000.00

Plan assets:

☐ Applicable ☑ Not Applicable

Net liabilities (net assets) under defined benefit plans

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LI) Long-term employee benefits payable（Continued）

2. *Changes in defined benefit plans (Continued)*

Explanation about impacts of the details of the defined benefit plan and its associated risks on the Company's future cash flow, timing, and uncertainty:

☑ Applicable ☐ Not Applicable

Note: The Company pays supplementary retirement benefits for its employees in Mainland China who retired on and before 31 December 2012 in addition to the contributions made to statutory insurance plans. Such supplementary retirement benefits are defined benefit plans. These plans include monthly pension benefits, medical reimbursement benefits, annual medical insurance premiums, and funeral benefits for employees who are retired. The Company's obligations in respect of supplementary retirement benefits are determined by estimating the amount of obligations that the Company is committed to paying to the employees after their retirement using actuarial techniques. The amount of the subsidy is determined based on the period during which the employee serves the Company and the relevant subsidy and welfare policy.

Some employees of the Company have gone through internal retirement. The internal retirement payables are accrued in the relevant legal entities within the Company during the period in which the Company has entered into relevant agreements/documents with relevant employees or informing individual employees of the specific internal retirement terms.

The specific terms of internal retirement vary depending on factors such as the position of the relevant employee, length of service and the region of service.

The plan is subject to interest rate risk, risk of changes in life expectancy of pension beneficiaries, and stock market risks.

Such supplementary retirement benefits are discounted with the discount rate which determined by referring to the yield rate of the PRC treasury bonds with the maturity date similar to the period of the obligations assumed by the Company at the end of the Reporting Period. The service cost and net interest income and expenditures from the supplementary retirement benefits are recorded in the profit or loss for the current period when incurred, while the changes in liabilities from the remeasurement of supplementary retirement benefits are recorded in other comprehensive income.

No planned asset has been established for the defined benefit plan by the Company as at 30 June 2026 and 31 December 2025.

Explanation on the material actuarial assumptions and sensitivity analysis results of defined benefit plans

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LII) Estimated liabilities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Cause of formation
Product quality guarantee	**42,282,661.32**	52,307,769.79	/
Others	**797,875.85**	1,187,457.46	/
Subtotal	**43,080,537.17**	53,495,227.25	/
Less: Estimated liabilities due within one year	**19,203,793.92**	27,612,890.02	/
Total	**23,876,743.25**	25,882,337.23	/

January to June 2026

Unit: Yuan Currency: RMB

	Pending litigation	Product quality guarantee (Note)	Pending onerous contracts and others	Total
Opening balance	–	52,307,769.79	1,187,457.46	53,495,227.25
Increase in this year	–	11,141,779.88	216,541.10	11,358,320.98
Reversal in this year	–	–	606,122.71	606,122.71
Used in this year	–	21,166,888.35	–	21,166,888.35
Closing balance	–	42,282,661.32	797,875.85	43,080,537.17
Including: Estimated liabilities due within one year	–	18,474,963.19	728,830.73	19,203,793.92
Including: Estimated liabilities due over one year	–	23,807,698.13	69,045.12	23,876,743.25

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LII) Estimated liabilities (Continued)

2025

Unit: Yuan Currency: RMB

	Pending litigation	Product quality guarantee (Note)	Pending onerous contracts and others	Total
Opening balance	781,815.91	53,469,818.87	45,871.90	54,297,506.68
Increase in this year	–	107,046,902.83	1,294,558.82	108,341,461.65
Reversal in this year	781,815.91	–	–	781,815.91
Used in this year	–	108,208,951.91	152,973.26	108,361,925.71
Closing balance	–	52,307,769.79	1,187,457.46	53,495,227.25
Including: Estimated liabilities due within one year	–	26,469,293.05	1,143,596.97	27,612,890.02
Including: Estimated liabilities due over one year	–	25,838,476.74	43,860.49	25,882,337.23

Notes: 1. For the details of estimated liabilities due within one year, please see Note "VII. (XLVI)".

2. The Company estimates the quality guarantee deposits according to the sales revenue and the estimated warranty rate taking into account the different stages of the product life cycle of different products. The estimated rate of warranty occurrence is based on the historical experience data of the actual occurrence of warranty for the same type of products, and may be estimated according to significant changes due to the different stages of product life cycle of different products and similar products. As at the balance sheet date, the quality guarantee deposits that the Company expects to incur in the future under the above method shall be included into the profit or loss for the period.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LIII) Deferred income

Deferred income situation

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Cause of formation
1.Government grants related to assets	66,121,167.60	12,100,000.00	1,071,769.61	77,149,397.99	/
2.Government grants related to income	137,504,678.73	25,002,893.60	19,543,974.23	142,963,598.10	/
Total	203,625,846.33	37,102,893.60	20,615,743.84	220,112,996.09	/

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Cause of formation
1.Government grants related to assets	60,965,519.87	7,220,000.00	2,064,352.27	66,121,167.60	/
2.Government grants related to income	59,169,953.06	192,307,999.81	113,973,274.14	137,504,678.73	/
Total	120,135,472.93	199,527,999.81	116,037,626.41	203,625,846.33	/

Other explanation:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LIV) Other non-current liabilities

☐ Applicable ☑ Not Applicable

(LV) Share capital

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

		Increase/decrease for the period (+/-)					
	Opening balance	New issue	Bonus issue	Capital increase by capital surplus	Others	Subtotal	Closing balance
Total	10,589,819,000.00	–	–	–	–	–	10,589,819,000.00

2025

Unit: Yuan Currency: RMB

		Increase/decrease for the period (+/-)					
	Opening balance	New issue	Bonus issue	Capital increase by capital surplus	Others	Subtotal	Closing balance
Total	10,589,819,000.00	–	–	–	–	–	10,589,819,000.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVI) Other equity instruments

1. Basic information on preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Outstanding financial instruments	Issue date	Accounting classification	Dividend rate or interest rate	Issue price	Number	Amount	Expense	Carrying amount	Expiry date or renewal status	Condition of conversion	Transformation status
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 1)	6 December 2024 – 9 December 2024	Perpetual bond	2.20%	100.00	15,000,000.00	1,500,000,000.00	– 1,158,000.00	1,500,000,000.00	Unexpired	None	No
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 2)	6 December 2024 – 9 December 2024	Perpetual bond	2.40%	100.00	10,000,000.00	1,000,000,000.00	-772,000.00	1,000,000,000.00	Unexpired	None	No

2025

Unit: Yuan Currency: RMB

Outstanding financial instruments	Issue date	Accounting classification	Dividend rate or interest rate	Issue price	Number	Amount	Expense	Carrying amount	Expiry date or renewal status	Condition of conversion	Transformation status
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 1)	6 December 2024 – 9 December 2024	Perpetual bond	2.20%	100.00	15,000,000.00	1,500,000,000.00	– 1,158,000.00	1,500,000,000.00	Unexpired	None	No
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 2)	6 December 2024 – 9 December 2024	Perpetual bond	2.40%	100.00	10,000,000.00	1,000,000,000.00	-772,000.00	1,000,000,000.00	Unexpired	None	No

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVI) Other equity instruments (Continued)

2. *Statement on changes in preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period*

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Outstanding financial instruments	Beginning of the period		Increase during the period		Decrease during the period		End of the period	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 1)	15,000,000	1,500,000,000.00	–	–	–	–	15,000,000	1,500,000,000.00
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 2)	10,000,000	1,000,000,000.00	–	–	–	–	10,000,000	1,000,000,000.00
Total	25,000,000	2,500,000,000.00	–	–	–	–	25,000,000	2,500,000,000.00

2025

Unit: Yuan Currency: RMB

Outstanding financial instruments	Beginning of the period		Increase during the period		Decrease during the period		End of the period	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 1)	15,000,000	1,500,000,000.00	-	-	-	-	15,000,000	1,500,000,000.00
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 2)	10,000,000	1,000,000,000.00	-	-	-	-	10,000,000	1,000,000,000.00
Total	25,000,000	2,500,000,000.00	-	-	-	-	25,000,000	2,500,000,000.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVI) Other equity instruments (Continued)

2. Statement on changes in preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period (Continued)

Increase/decrease of other equity instruments in the period, the reasons thereof and the basis for related accounting treatment:

☐ Applicable ☑ Not Applicable

Other explanations:

☑ Applicable ☐ Not Applicable

The Company issued the first tranche of China Railway Signal & Communication Corporation Limited's 2024 Mid-term notes from 6 December 2024 to 9 December 2024, with an issue amount of RMB1,500,000,000.00 and RMB1,000,000,000.00 respectively, an issue fee of RMB1,930,000.00, and a raised sum of RMB2,500,000,000.00. The company will record this mid-term note in its accounts at the amount of the issue proceeds and include it in other equity instruments. The initial investment periods of the mid-term notes are 5 and 10 years, and the interest rates for the initial investment periods are 2.2% and 2.4% respectively. The Company has the right to choose to defer interest payments, and after maturity, the Company has the right to choose to renew; the interest rate for the renewal period will be reset at 300 basis points above the annual interest rate applicable to the previous investment period.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVII) Capital reserve

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium	**15,534,592,607.83**	**14,426.05**	**–**	**15,534,607,033.88**
Fiscal appropriation	**8,670,000.00**	**–**	**–**	**8,670,000.00**
Acquisition of minority interest of subsidiaries	**9,240,638.86**	**–**	**–**	**9,240,638.86**
Adjustment on long-term equity under interest method	**1,270,650.84**	**372,547.81**	**–**	**1,643,198.65**
Others	**406,663,539.95**	**–**	**–**	**406,663,539.95**
Total	**15,960,437,437.48**	**386,973.86**	**–**	**15,960,824,411.34**

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium	15,534,483,362.54	109,245.29	–	15,534,592,607.83
Fiscal appropriation	8,670,000.00	–	–	8,670,000.00
Acquisition of minority interest of subsidiaries	9,240,638.86	–	–	9,240,638.86
Adjustment on long-term equity under interest method	680,678.28	589,972.56	–	1,270,650.84
Others	406,663,539.95	–	–	406,663,539.95
Total	15,959,738,219.63	699,217.85	–	15,960,437,437.48

(LVIII) Treasury stocks

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVIX) Other comprehensive income

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Amount for the period: Amount before income tax during the period	Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained earnings from other comprehensive income	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount Attributable to the minority shareholders after tax	Closing balance
I. Other comprehensive income not reclassified into profit or loss	– 404,598,300.15	-	-	-	-	-	-	– 404,598,300.15
Including: Changes of the re-measurement of the defined benefit plan	– 282,960,000.00	-	-	-	-	-	-	– 282,960,000.00
Changes in fair value of other equity instrument investments	– 121,638,300.15	-	-	-	-	-	-	– 121,638,300.15
II. Other comprehensive income reclassified to profit or loss	44,341,067.02	-5,609,986.01	-	-	16,993.78	– 5,608,105.88	– 18,873.91	38,732,961.14
Including: Hedging reserve arising from cash flows	37,431,031.96	– 3,830,156.20	-	-	-	– 3,830,156.20	-	33,600,875.76
Differences on translation of foreign currency financial statements	1,128,161.58	– 1,647,624.52	-	-	-	– 1,647,624.52	-	-519,462.94
Impairment allowance for receivables for financing	5,781,873.48	-132,205.29	-	-	16,993.78	– 130,325.16	– 18,873.91	5,651,548.32
Total other comprehensive income	– 360,257,233.13	-5,609,986.01	-	-	16,993.78	– 5,608,105.88	– 18,873.91	– 365,865,339.01

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVIX) Other comprehensive income (Continued)

January to June 2025

Unit: Yuan Currency: RMB

		Amount for the period						
Item	Opening balance	Amount before income tax during the period	Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained earnings from other comprehensive income	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount Attributable to the minority shareholders after tax	Closing balance
I. Other comprehensive income not reclassified into profit or loss	-316,136,725.87	–	–	–	–	–	–	–316,136,725.87
Including: Changes of the re-measurement of the defined benefit plan	-322,099,000.00	–	–	–	–	–	–	–322,099,000.00
Changes in fair value of other equity instrument investments	5,962,274.13	–	–	–	–	–	–	5,962,274.13
II. Other comprehensive income reclassified to profit or loss	16,103,375.74	5,307,850.05	–	–	25,754.81	5,264,631.25	17,463.99	21,368,006.99
Including: Hedging reserve arising from cash flows	8,084,801.62	5,269,799.52	–	–	–	5,269,799.52	–	13,354,601.14
Differences on translation of foreign currency financial statements	2,301,407.42	237,239.02	–	–	–	237,239.02	–	2,538,646.44
Impairment allowance for receivables for financing	5,717,166.70	-199,188.49	–	–	25,754.81	-242,407.29	17,463.99	5,474,759.41
Total other comprehensive income	-300,033,350.13	5,307,850.05	–	–	25,754.81	5,264,631.25	17,463.99	–294,768,718.88

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LX) Special reserve

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Safety production expenses	**397,214,776.82**	**89,159,107.20**	**92,528,090.23**	**393,845,793.79**
Total	**397,214,776.82**	**89,159,107.20**	**92,528,090.23**	**393,845,793.79**

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Safety production expenses	348,771,551.18	261,711,648.74	213,268,423.10	397,214,776.82
Total	348,771,551.18	261,711,648.74	213,268,423.10	397,214,776.82

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXI) Surplus reserve

☑ Applicable ☐ Not Applicable

January to June 2026

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus reserve	2,694,162,333.16	–	–	2,694,162,333.16
Total	2,694,162,333.16	–	–	2,694,162,333.16

2025

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus reserve	2,482,496,646.28	211,665,686.88	–	2,694,162,333.16
Total	2,482,496,646.28	211,665,686.88	–	2,694,162,333.16

Explanation of surplus reserve, including changes during the period and reasons for the changes:

1. According to the Company Law and the Articles of Association of the Company, the Company shall withdraw statutory surplus reserve fund at 10% of its net profit. If the accumulative amount of the statutory surplus reserve is more than 50% of the Company's registered capital, the statutory surplus reserve fund shall no longer be withdrawn.

2. After the Company withdraws the statutory surplus reserve fund, it can withdraw discretionary surplus reserve fund. Upon approval, the discretionary surplus reserve can be used to make up for losses of the preceding year or increase share capital.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXII) Retained earnings

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Current period	Last year
Retained earnings at the end of last period before adjustment	**17,893,791,270.92**	16,342,719,229.07
Total amount of retained earnings at the beginning of the adjustment period (increase +, decrease -)	**–**	–
Retained earnings at the beginning of the period after adjustment	**17,893,791,270.92**	16,342,719,229.07
Add: Net profits attributable to owners of the parent during the current period	**1,473,454,789.53**	3,686,410,571.89
Less: Appropriation to statutory surplus reserve	**–**	211,665,686.88
Appropriation to discretionary surplus reserve	**–**	–
Accrual of general risk reserves	**–**	66,403,613.16
Dividend payables of ordinary shares	**1,800,269,230.00**	1,800,269,230.00
Dividend of ordinary shares converted into share capital	**–**	–
Other decrease	**11,973,773.00**	57,000,000.00
Retained earnings at the end of the period	**17,555,003,057.45**	17,893,791,270.92

Notes: Pursuant to the resolution of the Company's 2025 annual general meeting, the Company declared a dividend in respect of the remaining distributable profits for the year ended 31 December 2025 on 29 June 2026 of RMB0.17 cash dividend per share (inclusive of tax), totaling RMB1,800,269,230.00 (FY2025: Pursuant to the resolution of the 2025 annual general meeting of the Company, the Company declared a dividend in respect of the remaining distributable profits for the year ended 31 December 2024 of RMB0.17 cash dividend per share (inclusive of tax) totaling RMB1,800,269,230.00 on 23 June 2025.)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXIII) Revenue and costs of sales

1. *Revenue and costs of sales*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operations	13,971,895,740.37	9,856,647,774.91	14,543,977,461.44	10,371,126,634.45
Other operations	108,450,780.80	61,401,926.31	120,713,997.28	75,579,241.60
Total	14,080,346,521.17	9,918,049,701.22	14,664,691,458.72	10,446,705,876.05

2. *Revenue generated from contracts*

Unit: Yuan Currency: RMB

Categories	Rail transportation control system	General engineering contracting	Others	Total
By region of operation:				
China	11,888,332,740.47	1,242,552,006.24	122,503,749.76	13,253,388,496.47
Other countries or regions	826,958,024.70	–	–	826,958,024.70
Total	12,715,290,765.17	1,242,552,006.24	122,503,749.76	14,080,346,521.17
By time of transfer of goods:				
Revenue recognised at a certain point of time	2,828,028,555.13	–	122,503,749.76	2,950,532,304.89
Revenue recognised within a certain period of time	9,887,262,210.04	1,242,552,006.24	–	11,129,814,216.28
Total	12,715,290,765.17	1,242,552,006.24	122,503,749.76	14,080,346,521.17

Note: Typically, the construction contracts or service rendering contracts provided by the Group as a whole constitutes a single performance obligation and is a performance obligation performed within a certain period of time. As of 30 June 2026, some of the Group's construction contracts or service rendering contract are still in the process of performance. The transaction price allocated to the outstanding (or partially outstanding) performance obligations is related to the performance progress of the corresponding construction contract or service rendering contract, and will be recognized as revenue on the basis of the performance progress in the future performance period of the corresponding construction contract or service rendering contract.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXIII) Revenue and costs of sales (Continued)

3. Breakdown of revenue and costs of sales

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Classification of contract	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	**Cost**	Revenue	Cost
Rail transportation control system	**12,715,290,765.17**	**8,688,313,273.93**	13,184,956,323.93	9,126,169,507.02
Equipment manufacturing	**2,828,028,555.13**	**1,736,237,826.30**	3,178,733,694.52	2,004,248,893.81
System implementation	**3,775,026,226.93**	**3,223,355,117.46**	4,160,700,656.35	3,547,887,359.37
Design and integration	**6,112,235,983.11**	**3,728,720,330.17**	5,845,521,973.06	3,574,033,253.84
Construction contracting	**1,242,552,006.24**	**1,171,419,252.43**	1,356,100,485.62	1,274,112,695.69
Others	**122,503,749.76**	**58,317,174.86**	123,634,649.17	46,423,673.34
Total	**14,080,346,521.17**	**9,918,049,701.22**	14,664,691,458.72	10,446,705,876.05

Other explanation

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXIII) Revenue and costs of sales (Continued)

4. *Details of performance obligation*

☐ Applicable ☑ Not Applicable

The Company recognizes the income when its performance obligations as stipulated in the contract are fulfilled, that is, when the customer obtained control of the related assets (goods or services). Whether a performance obligation is fulfilled within a time period or at a point in time depends on the terms of the contract and relevant laws and regulations. If the Company meets one of the following conditions, the performance obligation is fulfilled within a certain period of time:

(1) The customer obtains and consumes the economic benefits brought by the Company's performance while the Company is performing the contract.

(2) The customer can control the assets under construction during the Company's performance.

(3) The assets produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to receive payment for the accumulated performance of the contract so far throughout the contract period.

If the performance obligation is fulfilled within a certain period of time, the Company recognizes revenue in accordance with the progress of performance. Otherwise, the Company recognizes revenue at the point at which the customer obtains control of the underlying assets. The progress of performance is determined based on the value to the customer of the commodities transferred to the customer.

5. *Explanation about allocation to the remaining performance obligations*

☐ Applicable ☑ Not Applicable

Typically, the construction contracts or service rendering contracts provided by the Company as a whole constitutes a single performance obligation and is a performance obligation performed within a certain period of time. As of 30 June 2026, some of the Company's construction contracts or service rendering contract are still in the process of performance. The transaction price allocated to the outstanding (or partially outstanding) performance obligations is related to the performance progress of the corresponding construction contract or service rendering contract, and will be recognized as revenue on the basis of the performance progress in the future performance period of the corresponding construction contract or service rendering contract.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXIII) Revenue and costs of sales (Continued)

6. Changes in significant contracts or price adjustments of significant transactions

☐ Applicable ☑ Not Applicable

(LXIV) Taxes and surcharges

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Urban maintenance and construction tax	**35,951,422.81**	40,258,385.93
Educational surcharge	**26,383,063.55**	29,379,480.49
Property tax	**35,112,485.38**	31,348,831.93
Land use tax	**6,289,078.68**	6,116,462.95
Stamp duty	**15,200,661.85**	14,060,599.76
Others	**1,345,836.99**	1,898,068.09
Total	**120,282,549.26**	123,061,829.15

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXV) Selling and distribution expenses

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Employee benefits	**226,897,538.26**	216,594,890.68
Sales service expenses	**63,772,644.91**	65,875,886.16
Transportation expenses	**924,992.64**	322,953.38
Tendering expenses	**25,090,501.91**	23,283,690.12
Safety production expenses	**88,417.98**	429,000.00
Rental expenses	**6,410,050.52**	7,146,524.03
Others	**15,773,101.66**	18,553,781.30
Total	**338,957,247.88**	332,206,725.67

(LXVI) General and administrative expenses

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Employee benefits	**656,901,374.51**	614,692,387.34
Depreciation and amortization expenses	**144,750,358.30**	148,916,270.14
Production safety expenses	**14,353,074.06**	5,214,206.66
Office and rental expenses	**57,704,961.43**	82,004,483.17
Travel costs and business entertainment expenses	**24,888,454.60**	26,155,631.35
Others	**82,854,717.31**	84,309,944.51
Total	**981,452,940.21**	961,292,923.17

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXVII) Research and development expenses

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Labor expenses	**462,467,978.63**	484,449,884.85
Materials expenses	**52,354,806.57**	30,947,532.50
Depreciation and amortization expenses	**95,642,474.49**	88,316,916.81
Testing and processing expenses	**78,196,255.23**	54,034,816.90
General and administrative expenses	**53,252.89**	632,179.91
Travel costs	**16,027,458.83**	19,071,187.50
Technical service fee	**36,829,596.12**	12,893,735.25
Others	**43,953,587.13**	112,509,422.70
Total	**785,525,409.89**	802,855,676.42

(LXVIII) Finance costs

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Interest expense	**63,706,098.24**	38,015,775.71
Less: interest income	**32,979,170.09**	74,024,784.20
Exchange losses/(gains)	**1,819,652.14**	-6,645,188.89
Financial institutions commissions and others	**14,114,583.10**	14,716,306.91
Total	**46,661,163.39**	-27,937,890.47

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXIX) Other income

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

By nature	Amount for the current period	Amount for the last period
Government grants	**148,876,200.64**	186,465,694.99
Additional deduction of input tax	**7,401,485.76**	11,057,140.32
Withholding of personal income tax fees	**2,047,569.43**	1,696,569.50
VAT directly exempted	**39,943.59**	41,366.38
Debt restructuring	**25,322.54**	–
Total	**158,390,521.96**	199,260,771.19

Government grants recognized as other income:

Item	Amount for the current period	Amount for the last period
Government grants related to assets	**168,284.75**	106,773.50
Other grants	**168,284.75**	106,773.50
Government grants related to income	**148,707,915.89**	186,358,921.49
Refund of taxes	**73,218,784.70**	88,535,914.10
Other grants	**75,489,131.19**	97,823,007.39
Total	**148,876,200.64**	186,465,694.99

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXX) Investment income

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Income from long-term equity investments under the equity method	**41,150,175.49**	22,052,624.21
Dividend income from debt investments during the holding Period	**5,682,496.84**	2,004,521.82
Investment income from disposal of other debt investments	**-1,430,920.20**	-141,088.90
Realized gain (loss) from ineffective portion of cash flow hedges	**218,936.78**	2,021,346.20
Investment income generated from debt restructuring	**-27,274.84**	954,951.65
Total	**45,593,414.07**	26,892,354.98

(LXXI) Gains on net exposure hedges

☐ Applicable ☑ Not Applicable

(LXXII) Gains on changes in fair value

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXIII) Gains on disposal of assets

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Gains on disposal of fixed assets	**-788,227.77**	-658,044.46
Gains on disposal of intangible assets	**–**	-102.56
Gains on disposal of right-of-use assets	**3,970.03**	172,904.23
Total	**-784,257.74**	-485,242.79

Other explanations:

☐ Applicable ☑ Not Applicable

(LXXIV) Credit impairment losses

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Losses from bad debts	**24,771,721.56**	35,922,226.92
Total	**24,771,721.56**	35,922,226.92

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXV) Losses from impairment of assets

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	**Amount for the current period**	Amount for the last period
Impairment losses	**4,823,159.76**	1,257,467.23
Total	**4,823,159.76**	1,257,467.23

(LXXVI) Non-operating income

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	**Amount for the current period**	Amount for the last period	Amount included in current non-recurring profit or loss
Total gains on disposal of non-current assets	**22,700.00**	18,635.70	22,700.00
Including: Gains on disposal of fixed assets	**22,700.00**	18,635.70	22,700.00
Receiving of donations	**–**	–	–
Government grants	**903,484.86**	903,484.86	903,484.86
Compensation payments	**2,831,928.10**	4,483,363.09	2,831,928.10
Accounts unpayable	**342.28**	1,297,401.34	342.28
Others	**862,006.98**	2,493,195.42	862,006.98
Total	**4,620,462.22**	9,196,080.41	4,620,462.22

Other explanation:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXVII) Non-operating expenses

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period	Amount included in current non-recurring profit or loss
Total losses from disposal of non-current assets	**157,658.68**	174,875.33	157,658.68
Including: losses from disposal of fixed assets	**157,658.68**	174,875.33	157,658.68
External donation	**–**	135,297.68	–
Lawsuit compensation	**3,413,370.48**	82,520.00	3,413,370.48
Others	**14,203,076.00**	2,446,818.23	14,203,076.00
Total	**17,774,105.16**	2,839,511.24	17,774,105.16

(LXXVIII) Income tax expenses

1. *Table for income tax expenses*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Current income tax expenses	**413,206,738.51**	405,253,115.51
Deferred income tax expenses	**-4,199,253.86**	17,142,604.75
Total	**409,007,484.65**	422,395,720.26

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXVIII) Income tax expenses (Continued)

2. *Adjustment process for accounting profit and income tax*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period
Total profit	**2,108,698,615.09**
Income tax at the statutory/applicable income tax rate	**527,174,653.77**
Effect of different tax rates for subsidiaries	**-190,153,088.60**
Effect of adjustments in respect of income tax of previous periods	**25,919,410.88**
Effect of non-taxable income	**–**
Effect of non-deductible cost, expenses and loss	**24,302,110.06**
Effect of utilization of deductible losses in deferred income tax assets not recognized in previous period	**1,450,100.58**
Effect of deductible temporary differences or deductible losses in deferred income tax assets not recognized in the current period	**69,294,339.76**
Profit or loss attributable to joint ventures and associates	**10,342,885.03**
Tax effect of additional deductions	**35,736,955.61**
Income tax expenses	**409,007,484.65**

Other explanations:

☑ Applicable ☐ Not Applicable

Note: The Company's income tax has been provided at the applicable rate on the estimated profits assessable arising in the PRC during the period. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries/regions in which the Company operates, based on existing legislation, interpretations and practices in respect thereof.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXIX) Other comprehensive income

☑ Applicable ☐ Not Applicable

Please refer to Note VII. (LIX) for details.

(LXXX) Items in statement of cash flows

1. Other cash related to operating activities

Other cash received related to operating activities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Income from other businesses	**108,450,780.80**	120,713,997.28
Government grants	**94,139,465.91**	112,502,290.65
Interest income	**14,132,117.02**	47,750,319.81
Others	**560,761,609.92**	384,768,693.32
Total	**777,483,973.65**	665,735,301.06

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXX) Items in statement of cash flows (Continued)

1. *Other cash related to operating activities (Continued)*

Other cash paid related to operating activities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Research and development expenses	**189,195,775.49**	140,339,489.09
Safety production expenses	**14,148,830.42**	15,563,648.67
Travel and business hospitality expenses	**86,880,961.65**	104,364,890.52
Others	**1,257,078,636.98**	1,321,284,774.22
Total	**1,547,304,204.54**	1,581,552,802.50

2. *Other cash related to investment activities*

Other cash received related to significant investment activities

☐ Applicable ☑ Not Applicable

Other cash paid related to significant investment activities

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXX) Items in statement of cash flows (Continued)

2. Other cash related to investment activities (Continued)

Other cash received related to investment activities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Interest income	–	23,833,842.98
Changes in time deposits with a maturity of three months or more	–	729,151,178.82
Total	–	752,985,021.80

Other cash paid related to investment activities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Borrowings	35,420,000.00	42,706,400.00
Changes in time deposits with a maturity of three months or more	1,790,000,000.00	–
Total	1,825,420,000.00	42,706,400.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXX) Items in statement of cash flows (Continued)

3. *Other cash related to fund-raising activities*

Other cash received related to fund-raising activities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	**Amount for the current period**	Amount for the last period
Cash received from factoring services	**50,000,000.00**	150,000,000.00
Total	**50,000,000.00**	150,000,000.00

Other cash paid related to fund-raising activities

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	**Amount for the current period**	Amount for the last period
Rental expenses and others	**202,455,739.63**	209,082,373.20
Total	**202,455,739.63**	209,082,373.20

Changes in liabilities due to fund-raising activities

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXX) Items in statement of cash flows (Continued)

4. Explanation on presenting cash flows in net amount

☐ Applicable ✓ Not Applicable

5. Significant activities not involving current cash receipts and payments but affecting the Company's financial condition or potentially affecting the Company's future cash flows, and the financial impact thereof

☐ Applicable ✓ Not Applicable

(LXXXI) Supplementary information to the statement of cash flows

1. Supplementary information to the statement of cash flows

✓ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the last period
1. Adjustment of net profit to cash flow of operating activities:		
Net profit	**1,699,691,130.44**	1,861,766,594.47
Add: Credit impairment loss	**24,771,721.56**	35,922,226.92
Provision for impairment of assets	**4,823,159.76**	1,257,467.23
Depreciation of fixed assets, oil and gas assets, productive biological assets	**204,181,450.99**	189,930,793.78
Amortization of right-of-use assets	**33,013,977.24**	28,349,036.85
Amortization of intangible assets	**133,967,737.93**	135,990,429.57
Amortization of long-term prepaid expenses	**9,523,588.87**	10,294,599.44
Loss from disposal of fixed assets, intangible assets and other long-term assets (income as sign "-")	**784,257.74**	485,242.79
Losses from damage and scrap of fixed assets income as sign "-")	**134,958.68**	156,239.63
Losses due to changes in fair value (income as sign "-")	**–**	–
Financial costs (income as sign "-")	**103,883,129.95**	135,004,342.06

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXI) Supplementary information to the statement of cash flows (Continued)

1. *Supplementary information to the statement of cash flows (Continued)*

Supplementary information	Amount for the current period	Amount for the last period
Investment loss (income as sign "-")	**-45,593,414.07**	-26,892,354.98
Decrease in deferred income tax assets (increase as sign "-")	**-8,097,968.63**	13,679,030.52
Increase in deferred income tax liabilities (decrease as sign "-")	**3,898,714.77**	3,463,574.23
Decrease in inventories (increase as sign "-")	**-432,357,125.57**	-376,677,662.06
Decrease in operating receivables (increase as sign "-")	**296,892,287.54**	-571,715,417.55
Increase in operating payables (decrease as sign "-")	**-2,886,261,256.11**	-5,910,773,401.49
Others	**49,422,059.84**	64,322,950.91
Net cash flow generated from operating activities	**-807,321,589.07**	-4,405,436,307.68
2. Significant investment and financing activities not involving cash receipts and payments:	**–**	–
Capital transferred from debts	**–**	–
Convertible corporate bonds due within one year	**–**	–
Fixed assets acquired under financing leases	**–**	–
3. Net change in cash and cash equivalents:	**–**	–
Closing balance of cash	**12,157,614,295.40**	14,812,166,413.82
Less: Opening balance of cash	**15,162,434,014.59**	16,405,869,676.39
Add: Closing balance of cash equivalents	**–**	–
Less: Opening balance of cash equivalents	**–**	–
Net increase in cash and cash equivalents	**-3,004,819,719.19**	-1,593,703,262.57

2. *Net cash paid to acquire subsidiaries during the period*

☐ Applicable ☑ Not Applicable

3. *Net cash received from disposal of subsidiaries during the period*

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXI) Supplementary information to the statement of cash flows (Continued)

4. *Composition of cash and cash equivalents*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	**12,157,614,295.40**	15,162,434,014.59
Including: Cash on hand	**83,283.67**	257,618.18
Bank deposits available for payment	**2,729,761,899.26**	9,238,766,580.20
Deposit from other banks	**9,427,769,112.47**	5,923,409,816.21
II. Cash equivalents	**–**	–
Including: Bond investment due within three months	**–**	–
III. Closing balance of cash and cash equivalents	**12,157,614,295.40**	15,162,434,014.59
Including: cash and cash equivalents with restriction on use by the parent or subsidiaries within the Group	**–**	–

5. *Cash and cash equivalents with restrictions on use*

☐ Applicable ☑ Not Applicable

6. *Monetary funds not deemed as cash and cash equivalents*

☐ Applicable ☑ Not Applicable

Other explanations:

☐ Applicable ☑ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXII) Notes to items in statement of changes in owner's equity

Explanation of the name of "Others" item that adjusted the closing balance at the end of last year and the amount of adjustment, etc.:

☐ Applicable ☑ Not Applicable

(LXXXIII) Foreign currency monetary items

1. Foreign currency monetary items

☑ Applicable ☐ Not Applicable

Unit: Yuan

Item	**Closing balance of foreign currency**	Exchange rate	Closing balance in RMB equivalent
Monetary funds	**–**	–	254,134,661.59
Including: USD	**26,807,705.43**	6.8109	182,584,600.91
Euro	**177,561.79**	7.7671	1,379,140.18
HK Dollar	**4,317,789.26**	0.86855	3,750,215.86
Indian Rupee	**3,884,083,303.00**	0.0004	1,553,633.32
Others	**4,707,630,483.50**	—	64,867,071.32
Accounts receivable	**–**	–	161,320,561.75
Including: USD	**12,364,799.04**	6.8109	84,215,409.78
Others	**266,605,844.58**	–	77,105,151.97
Accounts payable	**–**	–	254,932,334.53
Including: USD	**10,403,290.79**	6.8109	70,855,773.24
Euro	**12,998,471.23**	7.7671	100,960,425.89
Others	**346,697,832.55**	–	83,116,135.40

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXIII) Foreign currency monetary items (Continued)

2. ***The nature of currency non-convertibility and its financial implications, the spot exchange rates used and the process by which they are estimated, and the risks faced by the entity as a result of currency non-convertibility***

☐ Applicable ☑ Not Applicable

3. ***Notes on the overseas operating entities, including, for significant overseas operating entities, the necessary disclosure of main overseas operating places, functional currency and selection basis, as well as reasons for changes of the functional currency***

☐ Applicable ☑ Not Applicable

4. ***Cases where there is a lack of convertibility between the functional currency of a foreign operation and the entity's presentation currency***

☐ Applicable ☑ Not Applicable

(LXXXIV) Data resources

☐ Applicable ☑ Not Applicable

(LXXXV) Others

☐ Applicable ☑ Not Applicable

VIII. RESEARCH AND DEVELOPMENT EXPENSES

(I) By nature

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Labour expenses	**544,496,681.74**	482,471,713.34
Materials expenses	**59,910,017.65**	31,579,461.90
Testing and processing expenses	**102,447,694.70**	49,193,576.80
Depreciation and amortization expenses	**93,391,783.08**	88,329,151.32
Administrative expenses	**2,194,888.16**	6,125,117.26
Travel costs	**20,275,652.45**	19,355,476.31
Technology development costs	**36,829,596.12**	12,893,735.25
Others	**55,723,532.46**	158,983,845.33
Total	**915,269,846.36**	848,932,077.51
Including: Expensed research and development expenditure	**785,525,409.89**	802,855,676.42
Capitalized research and development expenditure	**129,744,436.47**	46,076,401.09

(II) Development expenditure qualified for capitalization

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period		Decrease during the period			Closing balance
		Internal development expenditure	Others	Recognised as intangible assets	Transferred to current profit or loss	Others	
Development expenditure	307,502,933.27	129,744,436.47	–	–	–	–	437,247,369.74
Total	307,502,933.27	129,744,436.47	–	–	–	–	437,247,369.74

VIII. RESEARCH AND DEVELOPMENT EXPENSES (CONTINUED)

(II) Development expenditure qualified for capitalization (Continued)

Significant capitalized research and development projects

☐ Applicable ☑ Not Applicable

Provision for impairment of research and development expenditure

☐ Applicable ☑ Not Applicable

(III) Significant acquired projects under development

☐ Applicable ☑ Not Applicable

IX. CHANGES ON SCOPE OF CONSOLIDATION

(I) Business combination of entities not under common control

☐ Applicable ☑ Not Applicable

(II) Business combination of entities under common control

☐ Applicable ☑ Not Applicable

(III) Reverse takeover

☐ Applicable ☑ Not Applicable

(IV) Disposal of subsidiaries

Any transactions or events that result in the loss of control over a subsidiary in this period

☐ Applicable ☑ Not Applicable

Other explanation:

☐ Applicable ☑ Not Applicable

Any disposal of investments in subsidiaries through multiple transactions and losing control over the subsidiary in the reporting period

☐ Applicable ☑ Not Applicable

Other explanation:

☐ Applicable ☑ Not Applicable

IX. CHANGES ON SCOPE OF CONSOLIDATION (CONTINUED)

(V) Changes in scope of consolidation due to other reasons

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

☑ Applicable ☐ Not Applicable

1. Casco Intelligent Control (Chengdu) Co., Ltd. *(卡斯柯智控(成都)有限公司) was established on 10 February 2026, jointly funded by CASCO Signal Ltd., Chengdu Ronglian Rail Transit Industry Equity Investment Fund Partnership (Limited Partnership) *(成都融鏈軌道交通產業股權投資基金合夥企業(有限合夥)), and Chengdu Wuxin Innovation Technology Co., Ltd. *(成都武信創新科技有限責任公司). CASCO Signal Ltd. holds an 85% equity interest, Chengdu Ronglian Rail Transit Industry Equity Investment Fund Partnership (Limited Partnership) holds 10%, and Chengdu Wuxin Innovation Technology Co., Ltd. holds 5%.

2. CRSC International Nigeria Co., Ltd. *(通號國際尼日利亞有限責任公司) was established on 13 January 2026, funded by CRSC International Company Limited, which holds a 100% equity interest.

3. CRSC Air-Rail Technology (Inner Mongolia) Co., Ltd. *(通號空鐵科技(內蒙古)有限公司) was established on 6 March 2026, jointly funded by CRSC Low-Altitude Intelligent Technology Co., Ltd. and Inner Mongolia Transportation Investment (Group) Co., Ltd. CRSC Low-Altitude Intelligent Technology Co., Ltd. holds a 51% equity interest, and Inner Mongolia Transportation Investment (Group) Co., Ltd. holds 49%.

4. Bay Area Low-Altitude Research Institute (Guangdong) Co., Ltd. *(灣區低空研究院(廣東)有限公司) was established on 13 February 2026, jointly funded by CRSC Low-Altitude Intelligent Technology Co., Ltd., Zhuhai Lichuang Kexin Investment Partnership (Limited Partnership) *(珠海理創科信投資合夥企業(有限合夥)), Zhuhai Beijing Institute of Technology Greater Bay Area Innovation Research Institute *(珠海市北理工大灣區創新研究院), and Zhuhai Low Altitude Industry Investment and Operation Co., Ltd. CRSC Low-Altitude Intelligent Technology Co., Ltd. holds a 57% equity interest, Zhuhai Lichuang Kexin Investment Partnership (Limited Partnership) holds 26%, Zhuhai Beijing Institute of Technology Greater Bay Area Innovation Research Institute *(珠海市北理工大灣區創新研究院) holds 9%, and Zhuhai Low Altitude Industry Investment and Operation Co., Ltd. holds 8%.

(VI) Others

☐ Applicable ☑ Not Applicable

X. INTERESTS IN OTHER ENTITIES

(I) Interests in subsidiaries

1. Composition of enterprise group

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of subsidiaries	Places of principal activities	Registered capital	Place of registration	Nature of business	Shareholding percentage (%) Direct	Indirect	Means of acquisition
Innovation Investment	Beijing, China	RMB5,000 million	Beijing	Investment management	100.00	–	Incorporation through investment
CRSC Xi'an Industry Group	Xi'an, China	RMB2,149 million	Xi'an	Equipment manufacturing	100.00	–	Incorporation through investment
CRSCD	Beijing, China	RMB2,010 million	Beijing	Design and integration	100.00	–	Incorporation through investment
Shanghai Engineering Bureau	Shanghai, China	RMB1,500 million	Shanghai	System delivery services and design integration	100.00	–	Incorporation through investment
CRSC Changsha Railway	Changsha, China	RMB1,229 million	Changsha	System implementation	100.00	–	Incorporation through investment
CRSC Construction	Changsha, China	RMB1,100 million	Changsha	Construction contracting	100.00	–	Incorporation through investment
CRSCE	Beijing, China	RMB1,095 million	Beijing	System implementation	100.00	–	Incorporation through investment
CRSC International Holdings	Beijing, China	RMB810 million	Beijing	Design and integration	100.00	–	Incorporation through investment
CRSC Cables	Zhengzhou, China	RMB348 million	Zhengzhou	Equipment manufacturing	100.00	–	Incorporation through investment
CRSCC	Beijing, China	RMB318 million	Beijing	Design and integration	100.00	–	Incorporation through investment
Urban Rail Transit	Beijing, China	RMB100 million	Beijing	Design and integration	100.00	–	Incorporation through investment
Beijing Materials	Beijing, China	RMB35 million	Beijing	Wholesale trade	100.00	–	Business combination of entities under common control
CRSC Finance	Beijing, China	RMB2,000 million	Beijing	Financial company services for enterprise groups	95.00	–	Incorporation through investment

Name of subsidiaries	Places of principal activities	Registered capital	Place of registration	Nature of business	Shareholding percentage (%)		Means of acquisition
					Direct	Indirect	
CRSC Huatai	Jishou, China	RMB580 million	Jishou	Project management, operation and maintenance	90.00	–	Incorporation through investment
CRSC Tengda	Jishou, China	RMB450 million	Jishou	Project management, operation and maintenance	90.00	–	Incorporation through investment
CRSC Jiangsu Smart	Taixing, China	RMB400 million	Taixing	Design and integration	88.00	2.00	Incorporation through investment
Electrification Bureau	Zhengzhou, China	RMB500 million	Zhengzhou	EPC and system delivery services	65.00	–	Business combination of entities not under common control
CASCO	Shanghai, China	RMB600 million	Shanghai	Design and integration	51.00	–	Business combination of entities not under common control
CRSC Low-Altitude Intelligent	Beijing, China	RMB800 million	Beijing	Professional technical services	100.00	–	Business combination of entities under common control
CRSC Suzhou	Suzhou, China	RMB40 million	Suzhou	Professional technical services	51.00	–	Incorporation through investment
Shenyang Railway Signal	Shenyang, China	RMB160 million	Shenyang	Equipment manufacturing	100.00	–	Business combination of entities under common control
Shanghai Railway Communication	Shanghai, China	RMB463 million	Shanghai	Equipment manufacturing	100.00	–	Business combination of entities under common control

Other explanation:

(1) All the companies above are limited liability companies.

(2) For changes on major subsidiaries for the year, please refer to Note "IX. Changes on scope of consolidation".

(3) The Articles of Association stipulate that CRSC CASCO is a Sino-foreign joint venture, with the Board as its highest authority, and the proportion of voting rights is calculated according to the proportion of seats on the Board. The Board of CRSC CASCO consists of seven members, including four from CRSC.

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(I) Interests in subsidiaries (Continued)

2. Significant non-wholly owned subsidiaries

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of subsidiaries	Shareholding percentage of non-controlling shareholders (%)	Current profits and losses attributable to non-controlling shareholders	Current dividends declared and paid to non-controlling shareholders	Ending balance of interest of non-controlling shareholders
CASCO	49.00	240,551,501.03	–	1,564,855,858.48

Explanations for the inconsistency of shareholding percentage of non-controlling shareholders of subsidiaries with proportion of their voting rights:

☐ Applicable ☑ Not Applicable

Other explanation:

☐ Applicable ☑ Not Applicable

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(I) Interests in subsidiaries (Continued)

3. Main financial information of significant non-wholly owned subsidiaries

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of subsidiaries	Closing balance: Current assets	Closing balance: Non-current assets	Closing balance: Total assets	Closing balance: Current liabilities	Closing balance: Non-current liabilities	Closing balance: Total liabilities	Opening balance: Current assets	Opening balance: Non-current assets	Opening balance: Total assets	Opening balance: Current liabilities	Opening balance: Non-current liabilities	Opening balance: Total liabilities
CASCO	8,347,980,564.55	1,382,278,244.98	9,730,258,809.53	6,444,451,611.42	72,045,006.10	6,516,496,617.52	6,652,288,718.01	1,465,885,549.70	8,118,174,267.71	5,341,744,193.96	63,513,988.80	5,405,258,182.76

Name of subsidiaries	Amount for the current period: Revenue	Amount for the current period: Net profit	Amount for the current period: Total comprehensive income	Amount for the current period: Cash flows from operating activities	Amount for the last period: Revenue	Amount for the last period: Net profit	Amount for the last period: Total comprehensive income	Amount for the last period: Cash flows from operating activities
CASCO	3,286,315,541.10	490,521,309.18	490,503,210.79	181,019,412.44	2,963,661,127.33	485,986,193.71	486,013,112.35	218,678,179.81

4. Major restrictions on the use of assets of the Group and repayment of debts of the Group:

☐ Applicable ☑ Not Applicable

5. Financial support or other support provided for structured entities included in the scope of consolidated financial statements

☐ Applicable ☑ Not Applicable

Other explanation:

☐ Applicable ☑ Not Applicable

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(II) Transaction in which the share of shareholder' s interests in the subsidiary changes while control over the subsidiary remaining unchanged

☐ Applicable ☑ Not Applicable

(III) Interests in the joint venture or associate

☑ Applicable ☐ Not Applicable

1. Significant joint ventures or associates

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of joint ventures or associates activities	Principal place of business	Place of registration	Nature of business	Shareholding percentage (%) Direct	Shareholding percentage (%) Indirect	Accounting method for Investments in joint ventures or associates
Joint ventures						
Xi'an Schaltbau Electric Corp., Ltd.	Xi'an	Xi'an	Manufacturing of product	–	50.00	Equity method
CRSC Smart Data Technology (Beijing) Co., Ltd.	Beijing	Beijing	Technology development	–	45.00	Equity method
Associates						Equity method
CSCEC Foshan Joint Investment Co., Ltd.	Guangzhou	Guangzhou	Investment in construction projects	11.00	–	Equity method
Siping Integrated Pipeline Construction Co., Ltd.	Siping	Siping	Engineering contracting	20.00	–	Equity method
Guangdong Utrust Financial Leasing Co., Ltd.	Guangzhou	Guangzhou	Financial leasing	30.00	–	Equity method
CRSC Tianshui Tram Co., Ltd.	Tianshui	Tianshui	Engineering contracting	35.63	–	Equity method
Siemens Signaling Company Ltd.	Xi'an	Xi'an	Manufacturing of product	–	30.00	Equity method
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Beijing	Beijing	Technology development	–	20.00	Equity method
Henan Huazhou Railway Co., Ltd.	Anyang	Anyang	Engineering contracting	–	44.00	Equity method

Name of joint ventures or associates activities	Principal place of business	Place of registration	Nature of business	Shareholding percentage (%) Direct	Indirect	Accounting method for Investments in joint ventures or associates
Zhuhai Huatong Private Equity Fund Management Enterprise (Limited Partnership)	Zhuhai	Zhuhai	Equity investment management	–	40.00	Equity method
Tianshui Tram Co., Ltd.	Tianshui	Tianshui	Engineering contracting	–	36.00	Equity method
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	Hangzhou	Hangzhou	technology development	–	40.00	Equity method
China Tietong Railway Operation Co., Ltd.	Wenzhou	Wenzhou	Rail transit operations	–	30.00	Equity method
CCUI (Shanghai) Digital Technologies Co., Ltd.	Shanghai	Shanghai	Data technology	–	20.00	Equity method
Tianjin Jingui Huihai Technology Development Co., Ltd.	Tianjin	Tianjin	Rail transit operations	–	20.00	Equity method
Shentie Signaling (Shenzhen) Co., Ltd.	Shenzhen	Shenzhen	Software and information technology services	–	49.00	Equity method
Wuhan Intelligent Metro Technology Co., Ltd.	Wuhan	Wuhan	Software and information technology services	–	15.00	Equity method
Shijiazhuang Jiaotou Intelligent Technology Co., Ltd.	Shijiazhuang	Shijiazhuang	Software and information technology services	–	45.00	Equity method
Jincheng City Northwest Railway Co., Ltd.	Jincheng Jincheng	Jincheng Jincheng	Railway transportation industry	–	36.50	Equity method
Nanjing Rail Transit Equipment Technology Co., Ltd.	Nanjing	Nanjing	Science and technology promotion and application services	–	10.00	Equity method

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(III) Interests in the joint venture or associate (Continued)

1. Significant joint ventures or associates (Continued)

Basis for holding less than 20% voting rights but having significant influence, or holding 20% or more voting rights but not having significant influence:

(1) On 14 April 2020, the Company's subsidiary, CRSC Low-Altitude Intelligence (formerly known as CRSC Smart City Research & Design Institute Co., Ltd.), and Aerospace Harmony Wisdom (Beijing) Technologies Co., Ltd. jointly established CRSC Smart Data Technology (Beijing) Co., Ltd. According to the company's articles of association, Aerospace Harmony Wisdom (Beijing) Technologies Co., Ltd. holds 55% of the shares, while CRSC Low-Altitude Intelligence holds 45%. Voting rights are exercised in proportion to paid-in capital contributions, and shareholder meeting resolutions require approval by shareholders representing more than two-thirds of the voting rights. CRSC Low-Altitude Intelligence and Aerospace Harmony Wisdom (Beijing) Technologies Co., Ltd. jointly control CRSC Smart Data Technology (Beijing) Co., Ltd. In 2024, CRSC Low Altitude Intelligence transferred its shares in this company to the Company's subsidiary, CRSC Information Industry Co., Ltd.

(2) CSCEC Foshan Joint Investment Co., Ltd. is jointly established by the Company, China Communications Construction Group Co., Ltd., China State Construction Engineering Corporation, and Beijing E-hualu Information Technology Co., Ltd. Our company holds 11% of the shares, China Communications Construction Group Co., Ltd. holds 48% of the shares, China State Construction Engineering Corporation holds 30% of the shares, and Beijing E-hualu Information Technology Co., Ltd. holds 11% of the shares. The Company's appointed director has a significant influence, so CSCEC Foshan Joint Investment Co., Ltd. is accounted for as a joint venture enterprise.

(3) On 16 May 2024, CASCO, a subsidiary of the Company, entered into a capital increase agreement with Wuhan Metro Group Co., Ltd., Wuhan University of Technology Optical Science Co., Ltd., Wuhan Optics Valley Fiberhome Integrated Circuit Venture Capital Fund Partnership (Limited Partnership), Jiaokong Technology Co., Ltd. and Wuhan Smart Metro Technology Co., Ltd., pursuant to which CASCO agreed to increase its capital contribution by RMB41.7297 million, of which RMB10.7143 million will be included in the paid-in capital, and its shareholding ratio will be 15% after the capital increase. After the capital increase, CASCO will appoint one director and have significant influence over Wuhan Intelligent Metro Technology Co., Ltd.

(4) On August 27, 2025, the Company's subsidiary Urban Rail Transit Co., Ltd. jointly established Nanjing Rail Transit Equipment Technology Co., Ltd. with Nanjing Rail Transit Industry Development Co., Ltd. and Beijing Techs Technology Co., Ltd., with respective ownership stakes of 10.00%, 60.00%, and 30.00%. As Urban Rail Transit Co., Ltd. exercises significant influence through its appointed directors, Nanjing Rail Transit Equipment Technology Co., Ltd. is accounted for as an associate.

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(III) Interests in the joint venture or associate (Continued)

2. Main financial information of significant joint ventures

☐ Applicable ☑ Not Applicable

3. Main financial information of significant associates

☐ Applicable ☑ Not Applicable

4. Summary of financial information of insignificant joint ventures and associates

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

	Closing balance/ Amount for the current period	Opening balance/ Amount for the last period
Joint ventures:		
Total book value of investment	**150,145,460.73**	143,069,504.19
Total amount of the following items calculated on the basis of shareholding percentage		
–Net profit	**7,075,956.54**	3,359,372.43
–Other comprehensive income	**–**	–
–Total comprehensive income	**7,075,956.54**	3,359,372.43
Associates:		
Total book value of investment	**2,070,791,746.84**	2,038,594,980.08
Total amount of the following items calculated on the basis of shareholding percentage		
–Net profit	**34,074,218.95**	18,693,251.78
–Other comprehensive income	**–**	–
–Total comprehensive income	**34,074,218.95**	18,693,251.78

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(III) Interests in the joint venture or associate (Continued)

5. Explanation for the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

☐ Applicable ☑ Not Applicable

6. Excessive loss incurred by joint ventures or associates

☐ Applicable ☑ Not Applicable

7. Unrecognised commitments related to investments in joint ventures

☐ Applicable ☑ Not Applicable

8. Contingent liabilities related to investments in joint ventures or associates

☐ Applicable ☑ Not Applicable

(IV) Significant joint operation

☐ Applicable ☑ Not Applicable

(V) Interests in structured entities not included in the scope of consolidated financial statements

Explanation of structured entities not included in the scope of consolidated financial statements:

☐ Applicable ☑ Not Applicable

(VI) Others

☐ Applicable ☑ Not Applicable

XI. GOVERNMENT SUBSIDIES

(I) Government subsidies recognised as accounts receivable at the end of the reporting period

☐ Applicable ☑ Not Applicable

The reasons for not receiving the expected amount of government subsidies at the anticipated time

☐ Applicable ☑ Not Applicable

(II) Debt items involving government subsidies

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Amount included in non-operating income for the period	Amount included in other income for the period	Other changes for this period	Closing balance	Government grants related to assets/income
Deferred income	66,121,167.60	12,100,000.00	903,484.86	168,284.75	–	77,149,397.99	Related to assets
Deferred income	137,504,678.73	25,190,824.09	–	19,543,974.23	-187,930.49	142,963,598.10	Related to income
Total	203,625,846.33	37,290,824.09	903,484.86	19,712,258.98	-187,930.49	220,112,996.09	/

(III) Government subsidies included in current profit and loss

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Type	**Amount for the current period**	Amount for the last period
Government grants related to assets	**685,707.47**	1,010,258.36
Government grants related to income	**202,535,702.23**	186,358,921.49
Total	**203,221,409.70**	187,369,179.85

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS

(I) Risks of financial instruments

☑ Applicable ☐ Not Applicable

Financial assets

Item	Measured at amortized cost	Measured at fair value through other comprehensive income: Standards	Measured at fair value through other comprehensive income: Designated	Total
Cash and bank balances	21,130,475,293.38	–	–	21,130,475,293.38
Bills receivable	796,447,785.34	–	–	796,447,785.34
Receivables for financing	–	737,765,613.78	–	737,765,613.78
Accounts receivable	23,812,824,753.03	–	–	23,812,824,753.03
Other receivables	1,666,555,734.80	–	–	1,666,555,734.80
Debt investment	273,172,183.50	–	–	273,172,183.50
Other equity instrument investments	–	–	1,469,647,442.33	1,469,647,442.33
Long-term receivables	7,461,048,615.57	–	–	7,461,048,615.57
Financial assets included in other non- current assets	5,070,520,012.79	–	–	5,070,520,012.79
Total	60,211,044,378.41	737,765,613.78	1,469,647,442.33	62,418,457,434.52

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(I) Risks of financial instruments (Continued)

Financial liabilities

Item	Measured at amortized cost	Measured at fair value through other comprehensive income	Total
Short-term borrowings	40,937,050.75	–	40,937,050.75
Bills payable	1,140,348,221.11	–	1,140,348,221.11
Accounts payable	37,788,053,360.58	–	37,788,053,360.58
Other payables	3,601,545,729.52	–	3,601,545,729.52
Employee benefits payable (cash payment)	899,077,678.97	–	899,077,678.97
Financial assets sold for repurchase	–	–	–
Customers deposits and deposits from banks and other financial institutions	673,760,677.58	–	673,760,677.58
Long-term borrowings	7,551,873,923.00	–	7,551,873,923.00
Financial liabilities in non-current liabilities due within one year	484,727,908.49	–	484,727,908.49
Lease liabilities	99,603,501.27	–	99,603,501.27
Long-term payables	47,316,374.84	–	47,316,374.84
Total	52,327,244,426.11	–	52,327,244,426.11

(II) Hedging

1. *The Company conducts hedging business for risk management*

☐ Applicable ☑ Not Applicable

Other explanation

☐ Applicable ☑ Not Applicable

2. *The Company conducts eligible hedging operations and applies hedge accounting*

☐ Applicable ☑ Not Applicable

Other explanation

☐ Applicable ☑ Not Applicable

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(II) Hedging (Continued)

3. The company conducts hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting

☐ Applicable ☑ Not Applicable

Other explanation

☐ Applicable ☑ Not Applicable

(III) Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 30 June 2026, the carrying amounts of bank acceptance bills and commercial acceptance bills that the Company has endorsed or discounted to suppliers for settlement of accounts payable was RMB33,830,863.08 and RMB211,480,988.44, respectively. (31 December 2025: the carrying amounts of bank acceptance bills and commercial acceptance bills that the Company has endorsed or discounted to suppliers for settlement of accounts payable was RMB37,545,226.24 and RMB232,962,468.33, respectively). The Company believed that almost all risks and rewards have been retained, including related default risks. Therefore, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Company no longer reserves the right to use it, including the right to sell, transfer or pledge it to other third parties. The aggregate carrying amount of the trade payables settled by the endorsed bills as at 30 June 2026 was RMB206,863,689.66 (31 December 2025: RMB172,619,010.49).

As at 30 June 2026, the Company had a balance of RMB342,000,000.00 (31 December 2025: RMB464,849,903.52) in factoring of accounts receivable and long-term receivables with recourse.

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As at 30 June 2026, the carrying amounts of bank acceptance bills, and other credit instruments measured at fair value with changes recognised in other comprehensive income that the Company has endorsed or discounted to suppliers for settlement of accounts payable was RMB306,647,590.45 and RMB153,218,465.55 respectively (31 December 2025: RMB715,094,331.33 for bank acceptance bills and RMB368,470,627.82 for other credit instruments measured at fair value with changes recognised in other comprehensive income).

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(III) Transfer of financial assets (Continued)

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists (Continued)

As at 30 June 2026, the derecognised bills had a maturity of one to twelve months. In accordance with the Law of Negotiable Instruments, the holders of the derecognised bills have the right of recourse against the Company if the accepting banks default (the "Continuing Involvement"). In the opinion of the Company, the Company has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the carrying amounts of such Derecognised Bills and the associated trade payables settled. The maximum exposure to loss from the Company's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Company, the fair values of the Company's Continuing Involvement in the Derecognised Bills are not significant.

From January to June 2026, the Company did not recognise any profit or loss on the date of transfer of the derecognised bills. The Company had no current or accumulated gains or expenses related to continuing involvement of financial assets which had been derecognised. The endorsement happened evenly throughout the year.

(IV) Various Risks Arising from Financial Instruments

In the course of its business operations, the Company is exposed to various financial risks: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks). These financial risks, and the risk management policies adopted by the Company to mitigate them, are described below:

The Board of Directors shall be responsible for planning and establishing the risk management framework of the Company, formulating the Company's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Company has developed risk management policies to identify and analyze risks faced by the Company. These risk management policies specify specific risks and cover many aspects such as market risk, credit risk and liquidity risk management. The Company periodically evaluates changes in the market environment and the Company's business activities to determine whether to update risk management policies and systems. The risk management of the Company shall be carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee works closely with other business units of the Company to identify, assess and mitigate risks. The internal audit department of the Company conducts regular audits on risk management control and procedures and reports the audit results to the Company's Audit Committee.

The Company diversifies the risk of financial instruments through appropriate diversification of investments and business portfolios, and reduces the risk of concentration in any single industry, specific region or specific counterparty by formulating appropriate risk management policies.

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(IV) Various Risks Arising from Financial Instruments (Continued)

1. Credit risk

Credit risk refers to the risk that the Company will incur a financial loss as a result of a counterparty failing to fulfil its contractual obligations.

The Company only deals with recognized and reputable third parties. According to the Company's policy, credit review is required for all customers who seek to carry out credit-based transactions. In addition, the Company continuously monitors the balance of accounts receivable to ensure that the Company is not exposed to significant bad debt risks. For transactions that are not settled in the functional currency of the relevant business entity, the Company does not provide credit-based transactions unless specifically approved by the credit control department of the Company.

Since the counterparties of monetary funds and bank acceptance bills receivable are banks with good reputation and high credit ratings, these financial instruments have low credit risk.

Financial assets of the Company include monetary funds, receivables for financing, accounts receivable, other receivables, debt investments, other equity instrument investments, long-term receivables, and financial assets included in other non-current assets. The credit risk of these financial assets originates from the default of the counterparty. The maximum risk exposure is equal to the book value of these instruments.

As the Company only deals with recognized and reputable third parties, no collateral is required. Credit risk is centrally managed by customers/counterparties, geographic region and industry. Customers owing accounts receivable to the Company were widely engaged in different sectors and industries, therefore, there was no concentration of significant credit risks within the Company. The Company did not hold any collateral or other credit enhancement against the balance of accounts receivable.

(1) Criteria for judgment of significant increase in credit risk:

On each balance sheet date, the Company assessed whether or not the credit risk of relevant financial instruments has increased significantly since initial recognition. In determining whether or not the credit risk has increased significantly since the initial recognition, the Company considered that the reasonable and reliable information could be obtained without unnecessary extra costs or efforts, including qualitative and quantitative analysis based on the Company's historical data, external credit risk rating and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Company compared the risk of default of financial instruments as at the balance sheet date with the risk of default on the initial recognition date to determine the changes in the default risk of financial instruments during their lifetime.

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(IV) Various Risks Arising from Financial Instruments (Continued)

1. *Credit risk (Continued)*

(1) Criteria for judgment of significant increase in credit risk: (Continued)

The Company believed that the credit risk of financial instruments has increased significantly when one or more of the following quantitative and qualitative criteria or upper limit indicators are triggered:

- The quantitative criteria are satisfied if the probability of default for the remaining lifetime on the reporting date rises by more than a certain proportion compared with the probability of default at time of the initial recognition;
- Qualitative criteria mainly comprise material adverse changes in the debtor's business or financial position, and alert list of customers;
- The upper limit indicator is defined as the debtor's contract payment (including principal and interest) has been overdue for more than 30 days.

(2) Definition of assets with credit impairment

In order to determine whether or not credit impairment has occurred, the Company adopted the definition criteria consistent with the internal credit risk management objectives for relevant financial instruments, while considering both quantitative and qualitative indicators. When the Company evaluated whether or not the debtor suffers from credit impairment, it mainly considered the following factors:

- the issuer or debtor is in material financial difficulties;
- the debtor violates the contract, such as default or overdue payment of interest or principal, etc.;
- the creditor gives concessions that it would not make under any other circumstance based on economic or contractual considerations related to the debtor's financial difficulties;
- the debtor is likely to go bankrupt or undergo other financial restructuring;
- difficulties of the issuer or debtor result in the disappearance of the active market of the financial asset;
- purchase or generate a financial asset at a substantial discount, which reflects the fact that credit impairment has occurred.

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(IV) Various Risks Arising from Financial Instruments (Continued)

1. *Credit risk (Continued)*

(2) Definition of assets with credit impairment (Continued)

Credit impairment of financial assets might be caused by the combined action of multiple events, but not necessarily by separately identifiable events.

(3) Parameters for measuring expected credit loss

Depending on whether credit risk has increased significantly and whether credit impairment has occurred, the Company measures impairment provision for different assets with the expected credit loss for 12 months or the lifetime period, respectively. The key parameters for expected credit loss measurement include default probability, default loss rate and default risk exposure. Considering the quantitative analysis and forward-looking information of historical statistical data (such as counterparty ratings, guarantees and collateral types, repayment methods and others), the Company establishes a default probability, default loss rate and default risk exposure model.

The relevant definitions are as follows:

- Probability of default (PD) refers to the possibility that the debtor will not be able to fulfill its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Company's PD is adjusted based on the results of the historical mobility model of receivables, taking into account the forward-looking information to reflect the debtor's PD under the current macroeconomic environment;

- Loss given default (LGD) refers to the Company's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collaterals, the LGD varies. The LGD is the percentage of loss of risk exposure at the time of default, calculated over the next 12 months or over the entire remaining lifetime;

- Exposure at default (EAD) is the amount that the Company should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Company identified the key economic indicators that affect the credit risk of each business type and ECL.

Please see Notes "VII. (V)", "VII. (VII)", "VII. (IX)", "VII. (VI)", "VII. (XII)", "VII. (XIV)", "VII. (XVI)" and "VII. (XXX)" for the quantitative data of credit risk exposure of the Company due to receivables, receivables for financing, other receivables, contract assets, non-current assets due within one year, debt investments, long-term receivables and other non-current assets.

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(IV) Various Risks Arising from Financial Instruments (Continued)

2. Liquidity risk

The Company monitors its risk of deficiency of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and estimated cash flows from the Company's operations.

The Company sets its objective as maintaining a balance between continuity of funding and flexibility through the use of several financing methods such as notes settlement and bank borrowings, as well as optimizing financing structure through the combination of long and short-term financing. The Company has obtained banking facilities from several commercial banks to fund the working capital requirements and capital expenditure.

Management of the Company monitors the liquidity position of the Company on an ongoing basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Company's financial resources.

The table below summarizes the maturity profile of the Company's financial liabilities based on the undiscounted contractual cash flows:

January to June 2026

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	40,937,050.75	–	–	–	40,937,050.75
Bills payable	1,140,348,221.11	–	–	–	1,140,348,221.11
Accounts payable	37,788,053,360.58	–	–	–	37,788,053,360.58
Other payables	3,601,545,729.52	–	–	–	3,601,545,729.52
Financial assets sold for repurchase	–	–	–	–	–
Customers deposits and deposits from banks and other financial institutions	673,760,677.58	–	–	–	673,760,677.58
Lease liabilities(including maturity within 1 year)	55,328,252.08	43,431,864.81	50,785,485.91	15,731,414.80	165,277,017.60
Long-term borrowings (including maturity within 1 year)	378,880,000.00	192,363,871.94	4,934,593,334.17	2,424,916,716.89	7,930,753,923.00
Interest on long – and short-term borrowings	241,205,150.46	235,042,263.55	509,095,916.77	124,853,529.16	1,110,196,859.94
Long-term payables (including maturity within 1 year)	55,414,735.54	47,316,374.84	–	–	102,731,110.38
Total	43,975,473,177.62	518,154,375.14	5,494,474,736.85	2,565,501,660.85	52,553,603,950.46

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(IV) Various Risks Arising from Financial Instruments (Continued)

2. Liquidity risk (Continued)

31 December 2025

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	170,476,451.50	–	–	–	170,476,451.50
Bills payable	1,691,264,511.61	–	–	–	1,691,264,511.61
Accounts payable	39,220,108,544.27	–	–	–	39,220,108,544.27
Other payables	2,199,881,519.41	–	–	–	2,199,881,519.41
Financial assets sold for repurchase	16,950,121.15	–	–	–	16,950,121.15
Customers deposits and deposits from banks and other financial institutions	1,035,278,439.21	–	–	–	1,035,278,439.21
Lease liabilities(including maturity within 1 year)	49,473,698.53	64,372,567.84	33,110,919.31	16,141,045.43	163,098,231.11
Long-term borrowings (including maturity within 1 year)	386,067,362.07	193,363,871.94	4,775,293,334.17	2,547,146,716.89	7,901,871,285.07
Interest on long – and short-term borrowings	243,109,292.40	239,980,954.72	580,490,785.49	177,172,379.62	1,240,753,412.23
Long-term payables (including maturity within 1 year)	55,414,735.54	47,316,374.84	–	–	102,731,110.38
Total	45,068,024,675.69	545,033,769.34	5,388,895,038.97	2,740,460,141.94	53,742,413,625.94

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(IV) Various Risks Arising from Financial Instruments (Continued)

3. *Market risk*

Market risk related to financial instruments refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market prices, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings and bank current deposit in large amount with floating interest rates.

The Company regularly reviews and monitors the mix of fixed and floating interest rate in order to manage its interest rate risk. Borrowings and monetary funds are stated at amortized cost and are not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the profit or loss as earned/incurred.

As at 30 June 2026, floating interest rate loans and fixed interest rate loans accounted for 44.78% and 55.22% of the Company's borrowings respectively. Management would adjust the floating rate assets based on changes in the market interest rates to reduce the significant impact arising from interest rate risk.

If there was a general increase/decrease in the interest rate of borrowings with floating interest rates by 1%, with all other variables held constant, the consolidated net profits and other comprehensive income, net of tax would have decreased/increased by approximately RMB26,761,624.40 from January to June 2026 (January to June 2025: RMB23,494,304.78), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Company. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 30 June 2026 and the exposure to interest rate risk has been applied to those financial instruments in existence at that date. The estimated 1% of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period from the year until the date of balance sheet of the next year.

If there was a general increase/decrease in the interest rates of demand deposit of bank with floating interest rates by 0.1 percentage point, with all other variables held constant, the consolidated net profits and other comprehensive income, net of tax would have increased/decreased by approximately RMB11,727,743.00 from January to June 2026 (January to June 2025: RMB6,498,509.01), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Company. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 30 June 2026 and the exposure to interest rate risk has been applied to those financial instruments in existence at that date. The estimated 0.1 percentage point of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period from the year until the date of balance sheet of the next year.

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(IV) Various Risks Arising from Financial Instruments (Continued)

3. *Market risk (Continued)*

(2) Exchange rate risk

As a result of its significant business operations in Mainland China, the Company's revenue, expenses and over 95% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Company's results of operations is therefore minimal and the Company has not entered into any hedging transactions as at 30 June 2026 and 31 December 2025 in order to reduce the Company's exposure to foreign currency risk in this regard.

The following table demonstrates the sensitivity analysis on the foreign currency risk, reflecting the influence of reasonable possible change in the exchange rates of the United States dollar and Hong Kong dollar, with all other variables held constant, on the Company's net profit net of tax.

Item	United States dollar exchange rate Increase/(decrease)	Net profit or loss Increase/(decrease)	Total shareholder' s equity Increase/(decrease)
Depreciation of RMB against United States dollar	5%	7,807,697.80	7,807,697.80
Appreciation of RMB against United States dollar	-5%	-7,807,697.80	-7,807,697.80

Item	Hong Kong dollar exchange rate Increase/(decrease)	Net profit or loss Increase/(decrease)	Total shareholder' s equity Increase/(decrease)
Depreciation of RMB against Hong Kong dollar	5%	152,456.77	152,456.77
Appreciation of RMB against Hong Kong dollar	-5%	-152,456.77	-152,456.77

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred as at 30 June 2026 and 31 December 2025 and the exposure to exchange rate risk has been applied to those monetary assets and liabilities in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonable possible change in foreign exchange rates over the period from the year until the date of balance sheet of the next year.

XIII. DISCLOSURE OF FAIR VALUE

(I) Closing fair value of assets and liabilities measured at fair value

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing fair value			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
I. Continuous measurement of fair value				
(1) Receivables for financing	–	737,765,613.78	–	737,765,613.78
(2) Other equity instrument investments	–	–	1,469,647,442.33	1,469,647,442.33

(II) Basis for determining the market value of continuous and non-continuous Level-1 fair value measurement items

☐ Applicable ☑ Not Applicable

(III) Qualitative and quantitative information of valuation techniques and important parameters used in continuous and non-continuous Level-2 fair value measurement items

☐ Applicable ☑ Not Applicable

(IV) Qualitative and quantitative information of valuation techniques and important parameters used in continuous and non-continuous Level-3 fair value measurement items

☐ Applicable ☑ Not Applicable

XIII. DISCLOSURE OF FAIR VALUE (CONTINUED)

(V) Information on adjustment between opening and closing book values and sensitivity analysis of unobservable parameters for continuous Level-3 fair value measurement items

☐ Applicable ☑ Not Applicable

(VI) Reason for conversion for transfer between levels during the current period for continuous fair value measurement items, and policies for determination of time point of the conversion

☐ Applicable ☑ Not Applicable

(VII) Changes in valuation techniques during the current period and reason for such Change

☐ Applicable ☑ Not Applicable

(VIII) Fair value of financial assets and financial liabilities not measured at fair value

☐ Applicable ☑ Not Applicable

(IX) Others

☐ Applicable ☑ Not Applicable

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

(I) Parent of the Company

☑ Applicable ☐ Not Applicable

Unit: 0,000 Yuan Currency: RMB

Name of the parent	Place of registration	Nature of business	Registered capital	Shareholding percentage of the parent to the Company (%)	Percentage of voting right of the parent to the Company (%)
CRSC Group	Beijing, the PRC	Wholly state-owned company; central enterprise	1,000,000.00	62.78	62.78

Note: The ultimate holding company of the Company is CRSC Group, and the principal place of business of CRSC Group is 20th Floor, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC.

(II) Subsidiaries of the Company

For details of the subsidiaries of the Company, refer to Note "X. Interests in Other Entities"

☐ Applicable ☑ Not Applicable

(III) Details of the joint ventures and associates of the Company

For details of significant joint ventures or associates of the Company, see Note "X. Interests in Other Entities"

☐ Applicable ☑ Not Applicable

Information of other joint ventures or associates that had related party transactions with the Company in the current period or had formed balances from related party transactions with the Company in the previous period is as follows

☐ Applicable ☑ Not Applicable

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(IV) Other related parties

☑ Applicable ☐ Not Applicable

Name of other related parties	Relationship between other related parties and the Company
GE (Shanghai) Electric Power Technology Co., Ltd.	Related party of a minority shareholder having material influence on subsidiary of the Company
Alstom Transport Inc Canada	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Transport S. A.	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Transport Australia Pty Limited	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Transport India Limited	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Transport Spain Limited	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Hong Kong Ltd	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Signaling Inc.	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM ISRAEL LTD	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Transport (S) Pte Ltd	Related party of a minority shareholder having material influence on subsidiary of the Company
Signalling Brasil AGUA BRANCA	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Transport SA-Saint Ouen	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Transport SA-Villeurbanne	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Transport Systems (Thailand) Ltd.	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Transport SA-Aix en Provence	Related party of a minority shareholder having material influence on subsidiary of the Company
ALSTOM Ferroviaria S.p. A.	Related party of a minority shareholder having material influence on subsidiary of the Company
Alstom Investment (Shanghai) Co., Ltd.	Minority shareholder having material influence on subsidiary of the Group
Gu'an Beixin Railway Signal Co., Ltd.	Associate of the subsidiary under control of the ultimate holding company

Name of other related parties	Relationship between other related parties and the Company
Foshan Sanshui branch of CRSC Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
Guiyang branch of CRSC Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Subsidiary under control of the ultimate holding company
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	Subsidiary under control of the ultimate holding company
Xi'an Weixun Monitoring Equipment Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
Beijing Railways Signal & Communication Complete Equipment Company Ltd.	Subsidiary under control of the ultimate holding company
Beijing CRSC Beifang Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC Foshan Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC Guizhou Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC Capital Operation Co., Ltd.	Subsidiary under control of the ultimate holding company
Beijing Erqi Communication Factory Co., Ltd.	Subsidiary under control of the ultimate holding company
China Urban Rail Transit Equipment Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC Venture Capital Fund Management (Beijing) Co., Ltd.	Subsidiary under control of the ultimate holding company
Tianjin Keyvia Electric Co., Ltd.	Associate of the Parent from January to June 2025

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions

1. *Related party transactions of purchasing or selling goods and rendering or receiving services*

Statement on procurement of goods/ receipt of services

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Approved limit of transaction (if applicable)	Exceed the transaction limit or not (if applicable)	Amount for the last period
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Procurement of goods	21,460,847.75	/	/	28,234,254.47
Tianjin Jingui Huihai Technology Development Co., Ltd.	Procurement of goods	30,966,515.47	/	/	10,593,926.00
Gu'an Beixin Railway Signal Co., Ltd.	Procurement of goods	7,567,454.68	/	/	9,978,696.37
Siemens Signaling Company Ltd.	Procurement of goods	8,032,253.74	/	/	6,724,862.13
Alstom Investment (Shanghai) Co., Ltd.	Procurement of goods	4,579,893.81	/	/	4,439,822.03
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	Procurement of goods	384,714.15	/	/	1,450,926.60
Xi'an Weixun Monitoring Equipment Co., Ltd.	Procurement of goods	898,333.36	/	/	581,740.09
ALSTOM Transport Systems (Thailand) Ltd.	Procurement of goods	291,875.84	/	/	1,759,366.65
CRSC Smart Data Technology (Beijing) Co., Ltd.	Procurement of goods	15,025,015.67	/	/	–
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	Procurement of goods	3,905,660.38	/	/	–
ALSTOM Transport S. A.	Procurement of goods	18,662,344.81	/	/	–
ALSTOM Signaling Inc.	Procurement of goods	5,064,854.81	/	/	–
ALSTOM Transport SA-Aix en Provence	Procurement of goods	2,573,498.40	/	/	–
Shentie Signaling (Shenzhen) Co., Ltd.	Procurement of goods	193,838,676.42	/	/	–
Wuhan Intelligent Metro Technology Co., Ltd.	Procurement of goods	7,226,568.27	/	/	–
Shijiazhuang Jiaotou Intelligent Technology Co., Ltd.	Procurement of goods	22,793,855.14	/	/	–
Nanjing Rail Transit Equipment Technology Co., Ltd.	Procurement of goods	4,147,200.00	/	/	–
ALSTOM Transport S. A.	Receipt of services	92,610,089.06	/	/	149,392,139.62
GE (Shanghai) Electric Power Technology Co., Ltd.	Receipt of services	–	/	/	12,004,532.98
Alstom Investment (Shanghai) Co., Ltd.	Receipt of services	12,039,815.00	/	/	7,885,519.00
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Receipt of services	1,886,037.74	/	/	1,538,100.22
China Tietong Railway Operation Co., Ltd.	Receipt of services	1,917,783.02	/	/	541,509.43
Shentie Signaling (Shenzhen) Co., Ltd.	Receipt of services	1,879,302.07	/	/	–
Siemens Signaling Company Ltd.	Receipt of services	167,924.53	/	/	–

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

1. Related party transactions of purchasing or selling goods and rendering or receiving services (Continued)

Statement on sales of goods/provision of services

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Tianshui Tram Co., Ltd.	Sale of goods	**23,260,291.33**	106,994,919.47
ALSTOM Transport S. A.	Sale of goods	**15,220,005.07**	32,451,868.13
Siemens Signaling Company Ltd.	Sale of goods	**17,629,124.88**	12,525,773.65
ALSTOM Transport Australia Pty Limited	Sale of goods	**383,841.00**	4,698,428.73
ALSTOM Transport India Limited	Sale of goods	**7,437,317.00**	3,335,743.00
CRSC Tianshui Tram Co., Ltd.	Sale of goods	**4,076,583.00**	2,786,019.81
ALSTOM Ferroviaria S.p. A	Sale of goods	**–**	558,044.00
ALSTOM Transport Spain Limited	Sale of goods	**–**	391,804.00
GE (Shanghai) Electric Power Technology Co., Ltd.	Sale of goods	**520,119.00**	349,775.56
ALSTOM Hong Kong Ltd	Sale of goods	**–**	248,000.00
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Sale of goods	**207,292.03**	93,261.95
ALSTOM Signaling Inc.	Sale of goods	**–**	29,325.00
ALSTOM ISRAEL LTD	Sale of goods	**–**	13,500.00
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Sale of goods	**860,572.90**	471.70
CRSC Smart Data Technology (Beijing) Co., Ltd.	Sale of goods	**471.70**	471.70
Gu'an Beixin Railway Signal Co., Ltd.	Sale of goods	**11,548.68**	471.70
Xi'an Weixun Monitoring Equipment Co., Ltd.	Sale of goods	**110,000.00**	–

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

1. Related party transactions of purchasing or selling goods and rendering or receiving services (Continued)

Statement on sales of goods/provision of services (Continued)

Related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Tianjin Jingui Huihai Technology Development Co., Ltd.	Sale of goods	2,312,878.76	–
Shijiazhuang Jiaotou Intelligent Technology Co., Ltd.	Sale of goods	7,168,141.59	–
Nanjing Rail Transit Equipment Technology Co., Ltd.	Sale of goods	11,406,199.37	–
Jincheng City Northwest Railway Co., Ltd.	Sale of goods	3,989,979.52	–
ALSTOM Transport (S) Pte Ltd	Sale of goods	136,278.00	–
Henan Huazhou Railway Co., Ltd.	Provision of services	4,819,691.51	3,978,893.01
CRSC Tianshui Tram Co., Ltd.	Provision of services	1,588,237.73	2,366,309.44
Siemens Signaling Company Ltd.	Provision of services	623,349.06	392,669.13
CRSC Smart Data Technology (Beijing) Co., Ltd.	Provision of services	–	27,735.85
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Provision of services	–	8,165.95
CRSC Real Estate Co., Ltd.	Provision of services	4,194,416.15	–
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	Provision of services	344,876.85	–
Wuhan Intelligent Metro Technology Co., Ltd.	Provision of services	3,461,725.81	–

Explanation about related party transactions of purchasing or selling goods and rendering or receiving Services

☐ Applicable ☑ Not Applicable

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

2. Connected entrusted management/contracting and entrusted management/ outsourcing

Statement on entrusting management/contracting by the Company:

☐ Applicable ☑ Not Applicable

Description of connected custody/contracting

☐ Applicable ☑ Not Applicable

Statement on entrusted management/outsourcing by the Company:

☐ Applicable ☑ Not Applicable

Description of connected management/outsourcing

☐ Applicable ☑ Not Applicable

3. Leases with related parties

The Company as lessor:

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of lessee	Type of leased assets	Rental income recognized in current period	Rental income recognized in the previous period
Xi'an Schaltbau Electric Corp., Ltd.	Buildings	–	3,279,002.89
Xi'an Weixun Monitoring Equipment Co., Ltd.	Buildings	**199,939.26**	220,310.40

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

3. Leases with related parties (Continued)

The Company as lessee:

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of lessor	Type of leased assets	Amount for the current period: Short-term lease and low-value asset lease expense under simplified approach (if applicable)	Variable lease payments not included in the measurement of the lease liabilities (if applicable)	Rental expenses	Interest expenses of lease liabilities	Right-of-use asset acquired	Amount for the last period: Short-term lease and low-value asset lease expense under simplified approach (if applicable)	Variable lease payments not included in the measurement of the lease liabilities (if applicable)	Rental expenses	Interest expenses of lease liabilities	Right-of-use asset acquired
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	Buildings	46,500.00	-	46,500.00	-	-	85,714.29	-	85,714.29	-	-
Beijing Railways Signal & Communication Complete Equipment Company Ltd.	Buildings	-	-	-	-	-	22,902.74	-	22,902.74	-	-

Explanation about leases with related parties

☐ Applicable ☑ Not Applicable

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

4. Related guarantee

The Company as a guarantor

☐ Applicable ☑ Not Applicable

The Company as a secured party

☐ Applicable ☑ Not Applicable

Description of related guarantee

☐ Applicable ☑ Not Applicable

5. Loans from and to related parties

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Related parties	Lending/borrowing amount	Commencement date	Expiry date	Remark
Loans from				
China Railway Signal & Communication Corporation Limited	1,000,000,000.00	2025/3/7	2030/3/5	Entrusted loan
China Railway Signal & Communication Corporation Limited	500,000,000.00	2025/4/3	2030/4/2	Entrusted loan
China Railway Signal & Communication Corporation Limited	100,000,000.00	2025/7/2	2030/4/2	Entrusted loan
China Railway Signal & Communication Corporation Limited	1,100,000,000.00	2025/7/18	2030/4/2	Entrusted loan
China Railway Signal & Communication Corporation Limited	100,000,000.00	2025/7/29	2030/4/2	Entrusted loan
China Railway Signal & Communication Corporation Limited	50,000,000.00	2025/10/21	2030/4/2	Entrusted loan
China Railway Signal & Communication Corporation Limited	150,000,000.00	2025/11/19	2030/4/2	Entrusted loan
China Railway Signal & Communication Corporation Limited	1,000,000,000.00	2025/3/5	2030/3/4	Entrusted loan

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

6. *Asset transfer and debt restructuring of related parties*

☐ Applicable ☑ Not Applicable

7. *Emolument of key management*

☑ Applicable ☐ Not Applicable

Unit: 0,000 Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Emolument of key management	404.39	241.81

8. *Other related party transactions*

☑ Applicable ☐ Not Applicable

Interest corresponding to the centralized management of funds deposited by related parties in financial companies

Related parties	Amount for the current period	Amount for the last period
CRSC Venture Capital Fund Management (Beijing) Co., Ltd.	978,262.46	–
Beijing Railways Signal & Communication Complete Equipment Company Ltd.	382,075.49	571,289.31
CRSC Capital Operation Co., Ltd.	364,338.62	333,819.05
China Railway Signal & Communication Corporation Limited	244,487.54	924,192.47
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	124,788.81	165,702.26
CRSC Real Estate Co., Ltd.	71,765.13	31,164.21
Beijing Erqi Communication Factory Co., Ltd.	11,885.97	40,309.57
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	1,162.28	1,048.86
CRSC Foshan Real Estate Co., Ltd.	1,159.65	1,809.80
Foshan Sanshui branch of CRSC Real Estate Co., Ltd.	751.40	60.99
Guiyang branch of CRSC Real Estate Co., Ltd.	694.80	292.65
CRSC Guizhou Real Estate Co., Ltd.	68.49	738.26
Xi'an Weixun Monitoring Equipment Co., Ltd.	0.02	0.03

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties

1. Receivables

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Project name	Related parties	Closing balance	Opening balance
Accounts receivable			
	CRSC Tianshui Tram Co., Ltd.	**235,764,703.35**	240,953,458.36
	Tianshui Tram Co., Ltd.	**195,756,955.10**	345,742,346.15
	Beijing CRSC Beifang Real Estate Co., Ltd.	**76,540,156.74**	76,540,156.74
	Siemens Signaling Company Ltd.	**73,404,078.52**	110,501,713.86
	Siping Integrated Pipeline Construction Co., Ltd.	**63,527,919.00**	63,527,919.00
	Shentie Signaling (Shenzhen) Co., Ltd.	**30,919,214.45**	31,613,624.41
	CRSC Guizhou Real Estate Co., Ltd.	**15,811,506.67**	7,987,646.15
	CRSC Foshan Real Estate Co., Ltd.	**12,899,390.97**	12,856,589.98
	Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	**11,759,174.46**	10,318,396.00
	Shijiazhuang Jiaotou Intelligent Technology Co., Ltd.	**8,287,020.00**	654,570.00
	Nanjing Rail Transit Equipment Technology Co., Ltd.	**4,210,700.47**	–
	Tianjin Jingui Huihai Technology Development Co., Ltd.	**3,081,553.00**	–
	Gu'an Beixin Railway Signal Co., Ltd.	**2,964,550.44**	5,531,269.90
	Henan Huazhou Railway Co., Ltd.	**2,219,117.10**	3,749,487.70
	Wuhan Intelligent Metro Technology Co., Ltd.	**2,099,263.00**	2,263.00
	CRSC Real Estate Co., Ltd.	**2,071,563.93**	10,992,087.60

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

1. *Receivables (Continued)*

Project name	Related parties	Closing balance	Opening balance
	ALSTOM Transport S. A.	**1,974,885.68**	1,471,149.53
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	**1,645,110.73**	972,544.68
	Xi'an Weixun Monitoring Equipment Co., Ltd.	**603,801.40**	435,867.60
	ALSTOM Transport India Limited	**289,440.06**	2,535,196.27
	ALSTOM ISRAEL LTD	**114,055.26**	114,055.26
	ALSTOM Transport (S) Pte Ltd	**55,110.00**	152,512.00
	China Tietong Railway Operation Co., Ltd.	**50,000.00**	50,000.00
	ALSTOM Signaling Inc.	**29,365.00**	29,365.00
	Signalling Brasil AGUA BRANCA	**13,655.37**	13,655.37
	ALSTOM Transport Spain Limited	**49.81**	49.81
	CCUI (Shanghai) Digital Technologies Co., Ltd.	**–**	24,550.00
	Subtotal	**746,092,340.51**	926,770,474.37
	Less: provision for bad debts of other receivables	**127,533,384.65**	102,240,918.32
	Total	**618,558,955.86**	824,529,556.05
Dividends receivable			
	Siemens Signaling Company Ltd.	**–**	3,990,000.00
	Tianjin Jingui Huihai Technology Development Co., Ltd.	**–**	1,552,733.76
	China Tietong Railway Operation Co., Ltd.	**–**	1,500,000.00
	Wuhan Intelligent Metro Technology Co., Ltd.	**–**	1,340,621.64
	CRSC Smart Data Technology (Beijing) Co., Ltd.	**1,008,000.00**	1,008,000.00
	Total	**1,008,000.00**	9,391,355.40

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

1. *Receivables (Continued)*

Project name	Related parties	Closing balance	Opening balance
Prepayments			
	Nanjing Rail Transit Equipment Technology Co., Ltd.	**28,313,664.00**	–
	ALSTOM Transport SA-Saint Ouen	**16,896,078.28**	19,604,914.24
	Alstom Investment (Shanghai) Co., Ltd.	**7,517,267.42**	6,917,104.71
	Xi'an Weixun Monitoring Equipment Co., Ltd.	**2,946,239.62**	120,000.00
	Tianjin Jingui Huihai Technology Development Co., Ltd.	**2,500,582.00**	2,500,582.00
	Shentie Signaling (Shenzhen) Co., Ltd.	**1,871,947.79**	–
	Siemens Signaling Company Ltd.	**790,635.00**	–
	Gu'an Beixin Railway Signal Co., Ltd.	**112,240.00**	–
	Siping Integrated Pipeline Construction Co., Ltd.	**41,436.67**	41,436.67
	ALSTOM Transport SA-Villeurbanne	**2,940.24**	2,940.24
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	**–**	2,983.96
	Total	**60,993,031.02**	29,189,961.82

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

1. Receivables (Continued)

Project name	Related parties	Closing balance	Opening balance
Other receivables			
	CRSC Real Estate Co., Ltd.	**6,024,943.80**	9,824,943.80
	CRSC Smart Data Technology (Beijing) Co., Ltd.	**1,120,978.97**	1,120,978.97
	Beijing CRSC Beifang Real Estate Co., Ltd.	**589,016.88**	589,016.88
	Siemens Signaling Company Ltd.	**575,734.64**	575,734.64
	Xi'an Weixun Monitoring Equipment Co., Ltd.	**511,124.57**	3,366,230.79
	Jincheng City Northwest Railway Co., Ltd.	**472,731.56**	–
	Xi'an Schaltbau Electric Corp., Ltd.	**408,510.58**	408,510.58
	China Railway Signal & Communication Corporation Limited	**307,200.00**	2,055,221.41
	CRSC Guizhou Real Estate Co., Ltd.	**128,052.65**	–
	Tianjin Jingui Huihai Technology Development Co., Ltd.	**53,712.00**	–
	Tianshui Tram Co., Ltd.	**31,188.62**	24,726.39
	CRSC Foshan Real Estate Co., Ltd.	**24,327.46**	24,327.46
	CRSC Capital Operation Co., Ltd.	**13,296.06**	13,296.06
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	**10,000.00**	10,000.00
	ALSTOM Transport Systems (Thailand) Ltd.	**–**	461,818.68
	CRSC Tianshui Tram Co., Ltd.	**–**	197,251.21
	China Tietong Railway Operation Co., Ltd.	**–**	17,834.77
	Subtotal	**10,270,817.79**	18,689,891.64
	Less: provision for bad debts of other receivables	**88,715.84**	102,464.49
	Total	**10,182,101.95**	18,587,427.15

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

2. Payable

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Project name	Related parties	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable			
	Shentie Signaling (Shenzhen) Co., Ltd.	**337,756,818.17**	118,676,622.25
	ALSTOM Transport SA-Saint Ouen	**74,263,578.86**	31,885,316.22
	Tianjin Keyvia Electric Co., Ltd.	**65,966,689.55**	65,551,209.43
	CRSC Smart Data Technology (Beijing) Co., Ltd.	**52,042,492.82**	44,750,169.20
	Shijiazhuang Jiaotou Intelligent Technology Co., Ltd.	**45,373,439.23**	7,012,239.22
	Tianjin Jingui Huihai Technology Development Co., Ltd.	**40,887,634.66**	29,531,457.67
	Siemens Signaling Company Ltd.	**35,648,139.77**	44,808,386.94
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	**19,828,355.74**	167,437,788.54
	Gu'an Beixin Railway Signal Co., Ltd.	**15,752,874.64**	38,949,091.65
	Wuhan Intelligent Metro Technology Co., Ltd.	**15,467,538.02**	8,897,103.47
	CRSC Guizhou Real Estate Co., Ltd.	**14,728,759.48**	–
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	**7,908,539.55**	17,431,178.46
	ALSTOM Transport SA-Villeurbanne	**5,257,262.81**	3,774,631.97
	Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	**4,140,000.00**	6,189,688.95
	ALSTOM Transport Systems (Thailand) Ltd.	**2,258,620.86**	2,346,589.19
	China Tietong Railway Operation Co., Ltd.	**1,719,250.00**	26,280.00
	Xi'an Weixun Monitoring Equipment Co., Ltd.	**1,561,122.90**	1,349,312.95
	Alstom Investment (Shanghai) Co., Ltd.	**946,356.10**	7,660,408.06
	Xi'an Schaltbau Electric Corp., Ltd.	**333,496.82**	333,496.82
	ALSTOM Transport SA-Aix en Provence	**188,361.73**	149,830.21
	ALSTOM Ferroviaria S.p. A.	**83,048.45**	83,048.45

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

2. *Payable (Continued)*

Project name	Related parties	Book balance at the end of the period	Book balance at the beginning of the period
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	**82,850.00**	82,850.00
	China Railway Signal & Communication Corporation Limited	**2,969.00**	–
	CRSC Real Estate Co., Ltd.	**–**	9,327,172.18
	Nanjing Rail Transit Equipment Technology Co., Ltd.	**–**	305,000.00
	ALSTOM Transport S. A.	**–**	89,038.21
	Beijing Erqi Communication Factory Co., Ltd.	**–**	64,953.41
	Total	**742,198,199.16**	606,712,863.45
Contract liabilities			
	ALSTOM Transport S. A.	**35,629,412.69**	30,382,619.94
	Tianshui Tram Co., Ltd.	**2,603,040.95**	15,993,451.25
	Shentie Signaling (Shenzhen) Co., Ltd.	**2,476,893.81**	4,272,107.96
	ALSTOM Transport Australia PtyLimited	**13,257,731.70**	4,209,051.61
	CRSC Tianshui Tram Co., Ltd.	**2,021,827.37**	3,556,331.77
	CRSC Real Estate Co., Ltd.	**–**	3,079,185.19
	ALSTOM Transport India Limited	**3,479,777.61**	2,679,008.27
	ALSTOM ISRAEL LTD	**1,131,203.86**	1,103,977.49
	ALSTOM Transport (S) Pte Ltd	**788,277.00**	758,501.78
	Shijiazhuang Jiaotou Intelligent Technology Co., Ltd.	**467,297.30**	467,297.30
	Henan Huazhou Railway Co., Ltd.	**–**	284,741.28
	ALSTOM Hong Kong Ltd	**–**	282,799.04
	ALSTOM Signaling Inc.	**201,965.43**	201,965.43
	ALSTOM Ferroviaria S.p. A.	**189,550.76**	167,744.04
	Siemens Signaling Company Ltd.	**59,754.01**	88,378.53
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	**70,359.65**	66,377.03

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

2. Payable (Continued)

Project name	Related parties	**Book balance at the end of the period**	Book balance at the beginning of the period
	CCUI (Shanghai) Digital Technologies Co., Ltd.	**22,747.44**	22,747.44
	Signalling Brasil AGUA BRANCA	**14,281.96**	12,638.90
	Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	**13,490.57**	–
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	**193,466.16**	–
	Total	**65,097,972.08**	67,628,924.25
Other payables			
	China Railway Signal & Communication Corporation Limited	**44,449,761.95**	89,832,910.21
	CRSC Guizhou Real Estate Co., Ltd.	**7,772,788.86**	7,574,588.23
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	**5,015,653.74**	5,155,955.62
	Tianjin Jingui Huihai Technology Development Co., Ltd.	**2,505,119.00**	–
	China Urban Rail Transit Equipment Co., Ltd.	**1,822,648.50**	1,822,648.50
	CRSC Tianshui Tram Co., Ltd.	**1,092,818.56**	81,900.00
	Gu'an Beixin Railway Signal Co., Ltd.	**99,622.48**	166,090.00
	CRSC Capital Operation Co., Ltd.	**66,933.50**	12,145.00
	Xi'an Schaltbau Electric Corp., Ltd.	**64,925.15**	64,925.15
	Tianshui Tram Co., Ltd.	**55,607.31**	–
	CRSC Real Estate Co., Ltd.	**31,374.85**	300,389.64
	CRSC Smart Data Technology (Beijing) Co., Ltd.	**20,900.00**	134,000.00
	Siemens Signaling Company Ltd.	**10,000.00**	18,800.00
	CRSC Venture Capital Fund Management (Beijing) Co., Ltd.	**6,306.10**	8,330.00
	Xi'an Weixun Monitoring Equipment Co., Ltd.	**2,823.06**	2,823.06
	Henan Huazhou Railway Co., Ltd.	**909.67**	–

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

2. *Payable (Continued)*

Project name	Related parties	**Book balance at the end of the period**	Book balance at the beginning of the period
	Jincheng City Northwest Railway Co., Ltd.	–	150,606.81
	China Tietong Railway Operation Co., Ltd.	–	61,725.00
	Shijiazhuang Jiaotou Intelligent Technology Co., Ltd.	–	25,000.00
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	–	3,706.00
	Total	**63,018,192.73**	105,416,543.22
Bills payable			
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	–	3,397,231.34
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	–	2,842,468.00
	Gu'an Beixin Railway Signal Co., Ltd.	–	84,546.50
	Total	–	6,324,245.84

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

2. *Payable (Continued)*

Project name	Related parties	**Book balance at the end of the period**	Book balance at the beginning of the period
Customers deposits and deposits from banks and other financial institutions			
	China Railway Signal & Communication Corporation Limited	**373,403,544.83**	712,451,534.62
	CRSC Venture Capital Fund Management (Beijing) Co., Ltd.	**96,532,151.41**	95,553,888.95
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	**73,932,459.56**	75,964,247.21
	CRSC Capital Operation Co., Ltd.	**41,086,047.05**	40,721,708.43
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	**31,974,098.89**	30,968,703.83
	CRSC Real Estate Co., Ltd.	**29,000,571.57**	46,961,087.36
	Beijing Erqi Communication Factory Co., Ltd.	**21,073,040.07**	25,013,621.49
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	**2,677,225.51**	2,822,563.08
	CRSC Foshan Real Estate Co., Ltd.	**2,033,222.86**	2,032,063.21
	Foshan Sanshui branch of CRSC Real Estate Co., Ltd.	**1,030,713.35**	2,167,242.30
	Guiyang branch of CRSC Real Estate Co., Ltd.	**890,711.97**	494,956.73
	CRSC Guizhou Real Estate Co., Ltd.	**126,833.26**	126,764.77
	Xi'an Weixun Monitoring Equipment Co., Ltd.	**57.25**	57.23
	Total	**673,760,677.58**	1,035,278,439.21

3. *Other items*

☐ Applicable ☑ Not Applicable

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VII) Commitment of related parties

☑ Applicable ☐ Not Applicable

Project name	Related parties	Amount for the current period	Amount for the last period
Procurement of goods/receipt of services			
	ALSTOM Transport SA-Saint Ouen	**293,707,185.39**	321,950,303.85
	ALSTOM Transport SA-Villeurbanne	**7,314,448.95**	44,409,635.48
	Alstom Investment (Shanghai) Co., Ltd.	**–**	8,259,421.00
	Siemens Signaling Company Ltd.	**–**	6,841,451.60
	ALSTOM Transport SA-Aix en Provence	**–**	1,609,267.98
Sale of goods/provision of services			
	ALSTOM Transport S. A.	**236,217,530.50**	227,443,385.36
	ALSTOM Hong Kong Ltd	**–**	65,225,924.87
	ALSTOM Transport India Limited	**44,102,888.81**	36,657,958.83
	Tianshui Tram Co., Ltd.	**72,434,564.04**	36,520,589.90
	ALSTOM Transport Australia Pty Limited	**25,483,916.24**	31,725,338.50
	Beijing CRSC Beifang Real Estate Co., Ltd.	**20,471,734.92**	20,471,734.92
	Siemens Signaling Company Ltd.	**–**	1,256,910.68
	ALSTOM Signaling Inc.	**29,365.00**	29,365.00
	ALSTOM ISRAEL LTD	**166,776.85**	4,826.82
	ALSTOM Ferroviaria S.p. A	**53.00**	53.00
	ALSTOM Transport (S) Pte Ltd	**133,393.10**	–
	Alstom Transport Inc Canada	**365,560.00**	–
	ALSTOM Transport Spain Limited	**49.81**	–

(VIII) Others

☐ Applicable ☑ Not Applicable

XV. SHARE-BASED PAYMENT

(I) Various equity instruments

1. Specific details

☐ Applicable ☑ Not Applicable

2. Stock options or other equity instruments issued at the end of the period

☐ Applicable ☑ Not Applicable

(II) Equity-settled share-based payments

☐ Applicable ☑ Not Applicable

(III) Cash-settled share-based payments

☐ Applicable ☑ Not Applicable

(IV) Share-based payment expenses for current period

☐ Applicable ☑ Not Applicable

(V) Modification and termination of share-based payment

☐ Applicable ☑ Not Applicable

(VI) Others

☐ Applicable ☑ Not Applicable

XVI. COMMITMENTS AND CONTINGENCIES

(I) Significant commitments

☑ Applicable ☐ Not Applicable

Major external commitments, nature and amount thereof as at the balance sheet date

Project name	**Closing balance**	Opening balance
Contracted, but not provided for		
Capital commitment	**–**	–
Investment commitment	**935,000.00**	935,000.00
Total	**935,000.00**	935,000.00

(II) Contingencies

1. Important contingencies existing as at the balance sheet date

☐ Applicable ☑ Not Applicable

2. The Company has no disclosable important contingencies, and shall also give an explanation:

☐ Applicable ☑ Not Applicable

(III) Others

☐ Applicable ☑ Not Applicable

XVII. EVENTS AFTER THE BALANCE SHEET DATE

1. Important non-adjusting matters

☐ Applicable ☑ Not Applicable

2. Profit distribution

☐ Applicable ☑ Not Applicable

3. Sales return

☐ Applicable ☑ Not Applicable

4. Explanation of other events after the balance sheet

☐ Applicable ☑ Not Applicable

XVIII. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the profit distribution to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debts. The Company is not bound by external compulsory capital requirements. From January to June in 2025 and the year 2024, no changes were made in the objectives, policies or processes for managing capital.

The Company manages its capital through gearing ratio, which is total liabilities divided by total assets. The gearing ratios of the Company as at the balance sheet date are as follows:

Item	**Closing balance**	Opening balance
Total assets	**117,268,504,847.49**	118,321,690,651.90
Total liabilities	**64,825,792,830.87**	65,850,838,896.19
Gearing ratio	**55.28%**	55.65%

XIX. OTHER SIGNIFICANT EVENTS

(I) Early correction of accounting error

1. Retrospective restatement

☐ Applicable ☑ Not Applicable

2. Prospective application

☐ Applicable ☑ Not Applicable

(II) Debt restructuring

☐ Applicable ☑ Not Applicable

(III) Asset replacement

1. Exchange of non-monetary assets

☐ Applicable ☑ Not Applicable

2. Other asset replacement

☐ Applicable ☑ Not Applicable

(IV) Annuity plan

☐ Applicable ☑ Not Applicable

(V) Discontinuing operations

☐ Applicable ☑ Not Applicable

XIX. OTHER SIGNIFICANT EVENTS (CONTINUED)

(VI) Segment information

1. Basis for determining and accounting policies of reportable segments

☑ Applicable ☐ Not Applicable

For management purposes, the Company is divided into business units based on the products and services. The Company has the following three reportable segments:

(1) The rail transportation control system segment mainly provides a specialized "three-in-one" service comprising of design and integration, equipment manufacturing and system delivery for rail transportation control systems;

(2) General engineering contracting segment mainly includes municipal engineering contracting and the construction services of other engineering projects;

(3) Other segments mainly engage in trading etc.

The management separately manages the operating results of each business unit for the purpose of making decisions about resources allocation and performance assessment.

Segment performance is evaluated based on the profit of a reportable segment. The indicator is consistent with the total profit of the Company.

Inter-segment transfer pricing is determined by reference to prices adopted in sales or provision of labour services to third parties.

XIX. OTHER SIGNIFICANT EVENTS (CONTINUED)

(VI) Segment information (Continued)

2. *Financial information of reportable segment*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Rail transportation control system	Construction contracting	Others	Inter-segment elimination	Total
Revenue from external transactions	12,715,290,765.17	1,242,552,006.24	122,503,749.76	–	14,080,346,521.17
Revenue from inter-segment transactions	68,545,231.33	103,809,610.95	13,133,494.83	-185,488,337.11	–
Investment income from joint ventures and associates	33,222,799.52	7,927,375.97	–	–	41,150,175.49
Credit impairment loss	64,795,162.72	-39,614,314.34	-409,126.82	–	24,771,721.56
Asset impairment loss	6,223,237.73	-1,400,077.97	–	–	4,823,159.76
Depreciation and amortization fees	381,923,344.80	5,320,275.85	2,908,366.25	–	390,151,986.90
Total profit (Total loss)	/	/	/	/	2,108,698,615.09
Income tax expenses	/	/	/	/	409,007,484.65
Net profit (net loss)	/	/	/	/	1,699,691,130.44
Total assets	85,731,380,466.44	27,400,677,619.70	10,803,836,795.22	-6,667,390,033.87	117,268,504,847.49
Total liabilities	43,212,023,847.47	19,774,223,548.55	8,506,935,468.72	-6,667,390,033.87	64,825,792,830.87
Long-term equity investments in joint ventures and associates	1,618,667,863.14	602,269,344.43	–	–	2,220,937,207.57
Increase in non current assets other than long-term equity investments	383,234,692.34	301,561.21	218,090.89	–	383,754,344.44

XIX. OTHER SIGNIFICANT EVENTS (CONTINUED)

(VI) Segment information (Continued)

3. *The Company shall explain the reason why there is no reportable segment or it cannot disclose the total assets and total liabilities of each reportable segment*

☐ Applicable ☑ Not Applicable

4. *Other explanation*

☐ Applicable ☑ Not Applicable

(VII) Other material transactions and matters that have an impact on investors' decisions

☐ Applicable ☑ Not Applicable

(VIII) Others

☑ Applicable ☐ Not Applicable

Geographic information

1. *Revenue from external transactions*

Revenue from external transactions	**Amount for the current period**	Amount for the same period last year
China	**13,253,388,496.47**	13,720,218,436.52
Other countries or regions	**826,958,024.70**	944,473,022.20
Total	**14,080,346,521.17**	14,664,691,458.72

Note: Revenue from external transactions is categorized by where the customers are located.

2. *Total non-current assets*

Total non-current assets	**Book balance at the end of the period**	Book balance at the beginning of the period
China	**13,331,852,349.49**	13,314,346,558.49

Note: Non-current assets are categorized based on where the assets (excluding financial assets and deferred tax assets) are located.

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS

(I) Accounts receivable

1. Disclosure by aging on recording dates

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Ageing	**Book balance at the end of the period**	Book balance at the beginning of the period
Within 1 year (including 1 year)	**351,341,776.16**	385,539,911.76
1 to 2 years	**174,329,958.06**	163,466,658.28
2 to 3 years	**161,312,410.70**	151,468,066.08
Over 3 years	**647,102,480.07**	687,046,574.73
Subtotal	**1,334,086,624.99**	1,387,521,210.85
Less: Provision for bad debt	**209,679,831.32**	217,985,240.53
Total	**1,124,406,793.67**	1,169,535,970.32

2. Disclosure by classification with the method of provision of bad debts

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

類別	Closing balance					Opening balance				
	Book balance		Provision for bad debt			Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Percentage of provision (%)	Carrying amount	Amount	Proportion (%)	Amount	Percentage of provision (%)	Carrying amount
Single provision for bad debt	2,635,754.22	0.20	2,635,754.22	100.00	–	2,635,754.22	0.19	2,635,754.22	100.00	–
Provision withdrawn for bad debt on a combination basis by credit risk characteristics	1,331,450,870.77	99.80	207,044,077.10	15.55	1,124,406,793.67	1,384,885,456.63	99.81	215,349,486.31	15.55	1,169,535,970.32
Total	1,334,086,624.99	100.00	209,679,831.32	/	1,124,406,793.67	1,387,521,210.85	/	217,985,240.53	/	1,169,535,970.32

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

2. Disclosure by classification with the method of provision of bad debts (Continued)

Single provision for bad debt:

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name	Closing balance Book balance	Provision for bad debt	Percentage of provision (%)	Reasons for provision
Single provision for bad debt	2,635,754.22	2,635,754.22	100.00	Expected to be unrecoverable
Total	2,635,754.22	2,635,754.22	100.00	/

Descriptions of single provision for bad debt:

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

2. Disclosure by classification with the method of provision of bad debts (Continued)

Provision withdrawn for bad debt on a combination basis:

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance Provision for bad debt	Percentage of provision (%)
Within 1 year	351,341,776.16	1,718,482.61	0.49
1 to 2 years	174,329,958.06	7,761,363.21	4.45
2 to 3 years	161,312,410.70	16,084,600.21	9.97
Over 3 years	644,466,725.85	181,479,631.07	28.16
Total	1,331,450,870.77	207,044,077.10	/

Descriptions of provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provisions for bad debts made as per the general model of ECL

☐ Applicable ☑ Not Applicable

Explanation on significant changes in the book balance of account receivables with changes in loss provisions in the current period:

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

3. *Provision for bad debts*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Categories	Opening balance	Increase/decrease during the period Provision	Recovery or reversal	Write-off or cancellation	Other changes	Closing balance
Single provision for bad debt	2,635,754.22	–	–	–	–	2,635,754.22
Provision withdrawn for bad debt on a combination basis by credit risk characteristics	215,349,486.31	-8,302,788.39	–	–	-2,620.82	207,044,077.10
Total	217,985,240.53	-8,302,788.39	–	–	-2,620.82	209,679,831.32

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

4. *Actual write-off of accounts receivable for the period*

☐ Applicable ☑ Not Applicable

Write-off of significant accounts receivable

☐ Applicable ☑ Not Applicable

Explanation of write-off of accounts receivable:

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

5. *Top five accounts receivables and contract assets by closing balance of debtors*

☑ Applicable ☐ Not Applicable

As of 30 June 2026, the total amount of top five account receivables and contract assets by closing balance of debtors amounted to RMB655,156,039.99, accounting for 25.42% of the total closing balance of accounts receivables and contract assets. The total closing balance of the corresponding provision for bad debts amounted to RMB7,301,594.59.

As of 31 December 2025, the total amount of top five account receivables and contract assets by closing balance of debtors amounted to RMB546,150,075.76, accounting for 20.00% of the total closing balance of accounts receivables and contract assets. The total closing balance of the corresponding provision for bad debts amounted to RMB12,496,414.52.

Other explanation:

☐ Applicable ☑ Not Applicable

(II) Other receivables

Presentation of item

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	–	–
Dividends receivable	1,431,254,570.73	354,835,070.73
Other receivables	6,957,959,740.70	6,565,353,175.95
Total	8,389,214,311.43	6,920,188,246.68

Other explanation:

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Interest receivable

1. *Classification of interest receivable*

☐ Applicable ☑ Not Applicable

2. *Significant overdue interest*

☐ Applicable ☑ Not Applicable

3. *Disclosure by classification with the method of provision of bad debts*

☐ Applicable ☑ Not Applicable

Single provision for bad debt:

☐ Applicable ☑ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provisions for bad debts made as per the general model of ECL

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS *(CONTINUED)*

(II) Other receivables *(Continued)*

Interest receivable (Continued)

4. *Provision for bad debts*

☐ Applicable ☑ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

5. *Actual write-off of interest receivable for current period*

☐ Applicable ☑ Not Applicable

Write-off of significant interest receivable

☐ Applicable ☑ Not Applicable

Explanation of write-off:

☐ Applicable ☑ Not Applicable

Other explanation:

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Dividends receivable

1. *Dividends receivable*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item(or Investee)	Closing balance	Opening balance
CRSC Construction	**172,561,047.06**	172,561,047.06
Shanghai Engineering Bureau	**218,265,000.00**	110,745,000.00
CRSC Jiangsu Smart	**13,800,000.00**	13,800,000.00
CRSC Tengda	**6,336,658.70**	6,336,658.70
CRSC Wanquan Signal Equipment Co., Ltd.	**3,616,930.31**	3,616,930.31
Ji shou Huatai	**835,434.66**	835,434.66
CRSCE	**58,490,000.00**	46,940,000.00
Innovation Investment	**21,060,000.00**	–
Xi'an Metro	**218,463,000.00**	–
Beijing Materials	**2,810,000.00**	–
International Holdings	**7,915,000.00**	–
Design Institute	**538,840,000.00**	–
Communication & Information Group	**98,491,500.00**	–
CRSC Cables	**20,535,000.00**	–
Urban Rail Transit	**37,945,000.00**	–
CRSC Low-Altitude Intelligent	**8,400,000.00**	–
Guangzhou Engineering Technology	**2,890,000.00**	–
Subtotal	**1,431,254,570.73**	354,835,070.73
Less: Provision for bad debt	**–**	–
Total	**1,431,254,570.73**	354,835,070.73

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Dividends receivable (Continued)

2. *Significant dividends receivable aging over 1 year*

☐ Applicable ☑ Not Applicable

3. *Disclosure by classification with the method of provision of bad debts*

☐ Applicable ☑ Not Applicable

Single provision for bad debt:

☐ Applicable ☑ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☑ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☑ Not Applicable

Provisions for bad debts made as per the general model of ECL

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Dividends receivable (Continued)

4. *Provision for bad debts*

☐ Applicable ☑ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☑ Not Applicable

5. *Actual write-off of dividends receivable in current period*

☐ Applicable ☑ Not Applicable

Write-off of significant dividends receivable

☐ Applicable ☑ Not Applicable

Explanation of write-off:

☐ Applicable ☑ Not Applicable

Other explanation:

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables

1. *Disclosure by ageing*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Ageing	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (including 1 year)	**1,625,563,038.22**	1,482,438,200.34
1 to 2 years	**564,202,583.00**	409,697,844.85
2 to 3 years	**623,652,817.58**	652,425,838.73
Over 3 years	**4,147,295,694.56**	4,023,507,097.58
Subtotal	**6,960,714,133.36**	6,568,068,981.50
Less: Provision for bad debt	**2,754,392.66**	2,715,805.55
Total	**6,957,959,740.70**	6,565,353,175.95

2. *Classified by nature*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Nature of accounts	Book balance at the end of the period	Book balance at the beginning of the period
Loans from subsidiaries	**4,045,639,198.46**	3,832,333,624.39
Advances	**2,853,648,471.43**	2,701,238,172.76
Others	**61,426,463.47**	34,497,184.35
Subtotal	**6,960,714,133.36**	6,568,068,981.50
Less: Provision for bad debt	**2,754,392.66**	2,715,805.55
Total	**6,957,959,740.70**	6,565,353,175.95

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

3. *Provision for bad debts*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Provision for bad debt	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit impaired)	Total
Amounts due as at 1 January 2026	2,343,754.55	–	372,051.00	2,715,805.55
Amounts due for the period as at 1 January 2026	–	–	–	–
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
– Reversed to stage 2	–	–	–	–
– Reversed to stage 1	–	–	–	–
Provision for the period	38,587.11	–	–	38,587.11
Reversal for current period	–	–	–	–
Write-off for current period	–	–	–	–
Cancellation for current period	–	–	–	–
Other changes	–	–	–	–
Amounts due as at 30 June 2026	2,382,341.66	–	372,051.00	2,754,392.66

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

3. *Provision for bad debts (Continued)*

Changes in gross carrying amount of other receivables are as follows:

Book balance	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit impaired)	Total
Amounts due as at 1 January 2026	6,567,696,930.50	–	372,051.00	6,568,068,981.50
Amounts due for the period as at 1 January 2026	–	–	–	–
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
– Reversed to stage 2	–	–	–	–
– Reversed to stage 1	–	–	–	–
Increase for the period	1,017,294,305.50	–	–	1,017,294,305.50
Derecognized for the period	-624,649,153.64	–	–	-624,649,153.64
Other changes	–	–	–	–
Amounts due as at 30 June 2026	6,960,342,082.36	–	372,051.00	6,960,714,133.36

Explanation on significant changes in the book balance of other receivables with changes in loss provisions in the current period:

☐ Applicable ☑ Not Applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increases significantly:

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

4. *Provision for bad debts*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Categories	Opening balance	Increase/decrease during the period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debt	2,715,805.55	38,587.11	–	–	–	**2,754,392.66**
Total	2,715,805.55	38,587.11	–	–	–	**2,754,392.66**

Including significant amounts of provision for bad debts recovered or reversed in the period:

☐ Applicable ☑ Not Applicable

5. *Write-off of other receivables for the period*

☐ Applicable ☑ Not Applicable

Write-off of other significant receivables:

☐ Applicable ☑ Not Applicable

Explanation of write-off of other receivables:

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

6. *Top five other receivables by closing balance of debtors*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name	Closing balance	Percentage of total closing balance of other receivables	Nature of accounts	Aging	Closing balance of provision for bad debts
CRSC Engineering Bureau Group Construction Engineering Co., Ltd.	1,300,542,458.81	18.68	Subsidiary loans and advances on behalf	Within 1 year 629,069.05; 1-2 years 269,063.30; 2-3 years 133,605.00; 3-4 years 3,498,245.07; 4-5 years 12,476.39； Over 5 years 1,296,000,000.00	–
CRSC Construction Group Co., Ltd.	1,272,453,306.62	18.28	Subsidiary loans and advances on behalf	Within 1 year 197,237,214.50; 1-2 years 265,904,841.16; 2-3 years 254,745.83; 3-4 years 102,973,606.89; 4-5 years 200,752,500.00; Over 5 years 505,330,398.24	–
CRSC Transportation Construction Limited	921,701,562.50	13.24	Subsidiary loans and advances on behalf	4-5 years 200,000,000.00; Over 5 years 721,701,562.50	–

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

6. Top five other receivables by closing balance of debtors (Continued)

Name	Closing balance	Percentage of total closing balance of other receivables	Nature of accounts	Aging	Closing balance of provision for bad debts
China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd.	901,301,255.80	12.95	Subsidiary loans and advances on behalf	Within 1 year 745,784,054.04; 1-2 years 66,462,383.75; 2-3 years 29,776,538.27; 3-4 years 17,953,423.09; Over 5 years 41,324,856.65	–
Beijing CRSC Research & Design Institute Group Co., Ltd.	803,854,102.09	11.55	Advances on behalf	Within 1 year 1,089,725.13; 1 to 2 years 31,404,814.41; 2-3 years 347,067,468.48; 3-4 years 78,540,255.47; 4-5 years 345,751,838.60	–
Total	5,199,852,685.82	74.70	/	/	–

On 31 December 2025, the total amount of top five other receivables by closing balance of debtors amounted to RMB4,989,569,874.93, accounting for 75.97% of the total closing balance of other receivables. There was no need to make provision for bad debt.

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

7. *Listed as "Other receivables" due to centralized fund management (Continued)*

☐ Applicable ☑ Not Applicable

Other explanation:

☐ Applicable ☑ Not Applicable

(III) Long-term equity investment

1. *Investment in subsidiaries*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Investment in subsidiaries	21,543,411,153.66	–	21,543,411,153.66	19,338,147,288.15	–	19,338,147,288.15
Investments in associates and joint ventures	989,674,934.81	–	989,674,934.81	966,876,462.87	–	966,876,462.87
Total	22,533,086,088.47	–	22,533,086,088.47	20,305,023,751.02	–	20,305,023,751.02

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(III) Long-term equity investment (Continued)

1. Investment in subsidiaries (Continued)

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Investee	Opening balance (book value)	Opening balance of provision for impairment	Increase/decrease for the period				Closing balance (book value)	Closing balance of provision for impairment
			Additional investment	Reduction of investment	Provision for impairment	Others		
Innovation Investment	2,901,431,060.71	–	–	–	–	–	**2,901,431,060.71**	–
CRSCD	2,183,153,452.31	–	–	–	–	–	**2,183,153,452.31**	–
CRSC Xi'an Industry Group	2,161,476,363.60	–	–	521,596,395.10	–	–	**1,639,879,968.50**	–
CRSC Finance	1,900,000,000.00	–	–	–	–	–	**1,900,000,000.00**	–
Shanghai Engineering Bureau	1,635,118,995.36	–	–	–	–	–	**1,635,118,995.36**	–
CRSC Changsha Railway	1,454,470,000.00	–	–	–	–	–	**1,454,470,000.00**	–
CRSC Construction	1,278,913,017.40	–	–	–	–	–	**1,278,913,017.40**	–
CRSCE	1,090,447,494.77	–	–	–	–	–	**1,090,447,494.77**	–
CRSC International Holdings	933,444,581.33	–	71,911,836.31	–	–	–	**1,005,356,417.64**	–
CASCO	731,460,709.51	–	–	–	–	–	**731,460,709.51**	–
CRSC Huatai	522,000,000.00	–	–	–	–	–	**522,000,000.00**	–
CRSCC	455,790,731.45	–	–	–	–	–	**455,790,731.45**	–
CRSC Jiangsu Smart	434,029,469.41	–	–	–	–	–	**434,029,469.41**	–
CRSC Tengda	405,000,000.00	–	–	–	–	–	**405,000,000.00**	–
CRSC Cables	389,223,087.50	–	–	–	–	–	**389,223,087.50**	–
Electrification Bureau	325,000,000.00	–	–	–	–	–	**325,000,000.00**	–
Urban Rail Transit	100,000,000.00	–	–	–	–	–	**100,000,000.00**	–
CRSC Low-Altitude Intelligent	347,631,618.01	–	–	–	–	–	**347,631,618.01**	–
Guangzhou Engineering Technology	58,180,000.00	–	–	–	–	–	**58,180,000.00**	–
Beijing Materials	31,376,706.79	–	–	–	–	–	**31,376,706.79**	–
Suzhou Transport Technology	–	–	10,200,000.00	–	–	–	**10,200,000.00**	–
Shenyang Railway Signal	–	–	1,538,262,182.18	–	–	–	**1,538,262,182.18**	–
Shanghai Railway Communication	–	–	1,106,486,242.12	–	–	–	**1,106,486,242.12**	–
Total	19,338,147,288.15	–	2,726,860,260.61	521,596,395.10	–	–	**21,543,411,153.66**	–

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(III) Long-term equity investment (Continued)

2. *Investment in associates and joint ventures*

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Investor	Opening balance (book value)	Opening balance of provision for impairment	Increase/decrease for the period: Increase in investment	Decrease in investment	Investment gains/losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other	Closing Balance (book value)	Closing balance of provision for impairment
I. Joint ventures												
Subtotal	–	–	–	–	–	–	–	–	–	–	–	–
II. Associates												
CSCEC Foshan Joint Investment Co., Ltd.	10,851,795.12	–	–	–	-86,930.92	–	–	–	–	–	10,764,864.20	–
Siping Integrated Pipeline Construction Co., Ltd.	220,688,671.84	–	–	–	-645,932.01	–	–	–	–	–	220,042,739.83	–
Guangdong Utrust Financial Leasing Co., Ltd.	382,278,075.23	–	–	–	3,455,583.49	–	–	–	–	–	385,733,658.72	–
CRSC Tianshui Tram Co., Ltd.	311,676,339.82	–	–	–	18,745,161.06	–	–	–	–	–	330,421,500.88	–
Shentie Signaling (Shenzhen) Co., Ltd.	41,381,580.86	–	–	–	1,330,590.32	–	–	–	–	–	42,712,171.18	–
Subtotal	966,876,462.87	–	–	–	22,798,471.94	–	–	–	–	–	989,674,934.81	–
Total	966,876,462.87	–	–	–	22,798,471.94	–	–	–	–	–	989,674,934.81	–

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS (CONTINUED)

(III) Long-term equity investment (Continued)

3. Impairment testing of long-term equity investments

☐ Applicable ☑ Not Applicable

Other explanation:

☐ Applicable ☑ Not Applicable

(IV) Revenue and costs of sales

1. Revenue and costs of sales

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operations	684,063,255.41	671,129,799.39	689,735,745.77	627,119,223.07
Other operations	69,489,074.43	21,404,567.33	78,558,823.72	22,027,360.31
Total	753,552,329.84	692,534,366.72	768,294,569.49	649,146,583.38

2. Breakdown of revenue and costs of sales

☐ Applicable ☑ Not Applicable

Other explanation

☐ Applicable ☑ Not Applicable

3. Details of performance obligation

☐ Applicable ☑ Not Applicable

XX. NOTES TO KEY ITEMS OF THE PARENT COMPANY' S FINANCIAL STATEMENTS *(CONTINUED)*

(IV) Revenue and costs of sales *(Continued)*

4. Explanation about allocation to the remaining performance obligations

☐ Applicable ☑ Not Applicable

5. Significant contract amendments or significant transaction price adjustments

☐ Applicable ☑ Not Applicable

(V) Investment income

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Income from long-term equity investments under the cost method	**1,934,966,000.00**	1,651,020,200.00
Income from long-term equity investments under the equity method	**22,798,471.94**	13,781,986.69
Interest income from debt investment during the holding period	**5,682,496.84**	2,004,521.82
Investment income from borrowing/loan	**84,009,541.24**	81,223,487.94
Total	**2,047,456,510.02**	1,748,030,196.45

Other explanation:

The investment income from borrowings is the interest charged by the Company for providing capital for subsidiaries.

(VI) Others

☐ Applicable ☑ Not Applicable

XXI. SUPPLEMENTARY INFORMATION

(I) Breakdown of current non-recurring profit or loss

☑ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount	Note
Profit and loss on disposal of non-current assets, including the offsetting portion of the provision for impairment of assets	-784,257.74	
Government grants recognized as income in the current profit or loss, except for those closely related to the Company's normal operating activities, compliant with national policy regulations, received based on established criteria, and with a sustained impact on the Company's financial statements	76,560,900.80	
Reversal of impairment provision for receivables which are tested individually for impairment	6,151,134.28	
Profit or loss on debt restructuring	-1,952.30	
Other non-operating income and expenses apart from the aforesaid items	-14,057,127.80	
Less: Effect of income tax	5,279,301.65	
Effect of minority interest (after tax)	120,585.07	
Total	62,468,810.52	

Reasons shall be given with respect to items not listed but identified as significant non-recurring gain or loss items in the Explanatory Notice on Information Disclosure of Companies with Public Offering No. 1-Non-recurring Profit and Loss (《公開發行證券的公司資訊披露解釋性公告第1號–非經常性損益》), as well as the Company classifying the non-recurring profit and loss items defined and listed in the Explanatory Notice on Information Disclosure of Companies with Public Offering No. 1-Non-recurring Profit and Loss《(公開發行證券的公司資訊披露解釋性公告第1號–非經常性損益》) as recurring profit and loss items.

☐ Applicable ☑ Not Applicable

Other explanation

☐ Applicable ☑ Not Applicable

XXI. SUPPLEMENTARY INFORMATION (CONTINUED)

(II) Return on net assets and earnings per share

☑ Applicable ☐ Not Applicable

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	2.97	0.14	0.14
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	2.84	0.13	0.13

(III) Differences in accounting data between domestic and overseas accounting standards

☐ Applicable ☑ Not Applicable

(IV) Others

☐ Applicable ☑ Not Applicable

INFORMATION ON AMENDMENT

☐ Applicable ☑ Not Applicable

Legal representative:
Date of approval by the Board for submission:

CRSC

中国通号

China Railway Signal & Communication Corporation Limited*

中 國 鐵 路 通 信 信 號 股 份 有 限 公 司