

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**中国通号**

**中國鐵路通信信號股份有限公司**

**China Railway Signal & Communication Corporation Limited\***

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

**(Stock Code: 3969)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board of directors (the “**Board**”) of China Railway Signal & Communication Corporation Limited\* (中國鐵路通信信號股份有限公司) (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2024. This announcement is in compliance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in relation to information to accompany preliminary announcements of interim results.

### **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is published on the HKEXnews website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.crsc.cn](http://www.crsc.cn).

The 2024 interim report will be published in due course on the aforesaid websites of the Company and the Hong Kong Stock Exchange.

By order of the Board

**China Railway Signal & Communication Corporation Limited\***

**LOU Qiliang**

*Chairman*

Beijing, the PRC

28 August 2024

*As at the date of this announcement, the executive directors of the Company are Mr. LOU Qiliang and Mr. ZHANG Quan and the independent non-executive directors of the Company are Mr. YAO Guiqing, Mr. YAO Cho Fai Andrew and Mr. FU Junyuan.*

\* For identification purpose only

## IMPORTANT NOTICE

**THE BOARD AND THE SUPERVISORY COMMITTEE OF THE COMPANY AND THE DIRECTORS, SUPERVISORS 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.**

### 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.

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

**THIS INTERIM REPORT WAS UNAUDITED.**

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

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

None

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

Applicable  Not applicable

**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.

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

No

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

No

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

No

**OTHERS**

Applicable  Not applicable

## CONTENTS

Section I	Definitions	2
Section II	Basic Corporate Information and Key Financial Indicators	4
Section III	Management Discussion and Analysis	9
Section IV	Corporate Governance	82
Section V	Environmental and Social Responsibilities	87
Section VI	Significant Events	95
Section VII	Changes in Shares and Particulars of Shareholders	116
Section VIII	Particulars of Preference Shares	124
Section IX	Particulars of Bonds	125
Section X	Financial Report	130

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.

# 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

## SECTION I DEFINITIONS (CONTINUED)

EPC	Engineering Procurement Construction, the whole process or certain stages of the contract entrusted by the owner to the Company to carry out the design, procurement, construction, and trial operation of the construction project in accordance with the contract
Group	the Company and its subsidiaries
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Reporting Period	the six months ended 30 June 2024
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.

## 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, China
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, China to 20/F, CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, China
Principal place of business	CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, China
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, Joint Company Secretary
Name	LI Lianqing
Correspondence address	19/F, CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, China
Telephone	+86 010-50809286
Fax	+86 010-50809075
E-mail	ir@crsc.cn

## SECTION II BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

### III. INFORMATION DISCLOSURE AND 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)
Website 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
Index to changes during the Reporting Period	None

### 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

## SECTION II BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

### 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	14,250,309,285.72	16,633,010,199.97	-14.33
Net profit attributable to shareholders of the listed company	1,599,063,876.43	1,823,846,746.52	-12.32
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company	1,560,294,219.45	1,714,426,935.25	-8.99
Net cash flows from operating activities	2,972,717,564.11	-871,102,628.48	N/A
	<b>As at the end of the Reporting Period</b>	<b>As at the end of last year</b>	<b>Change as compared with the end of last year (%)</b>
Net assets attributable to shareholders of the listed company	46,604,940,630.46	46,812,051,906.86	-0.44
Total assets	118,548,740,196.30	118,990,487,731.74	-0.37



## SECTION II BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

### (II) Key financial indicators

Unit: Yuan Currency: RMB

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)	0.15	0.17	-11.76
Diluted earnings per share (RMB/share)	0.15	0.17	-11.76
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.15	0.16	-6.25
Weighted average rate of return on net assets (%)	3.42	4.03	Decreased by 0.61 percentage points
Weighted average rate of return on net assets after deduction of non-recurring profit or loss (%)	3.34	3.79	Decreased by 0.45 percentage points
R&D investment as a percentage of revenue (%)	5.54	4.31	Increased by 1.23 percentage points

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

Applicable       Not Applicable

## SECTION II BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

### 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	-37,842.94
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	42,933,087.97
Reversal of the impairment provision for receivables which are tested individually for impairment	1,056,270.68
Profit or loss on debt restructuring	2,119,200.14
Other non-operating income and expenses apart from the aforesaid items	7,687,063.43
Less: Effect of income tax	13,244,792.70
Effect of minority interest (after tax)	<u>1,743,329.60</u>
Total	<u>38,769,656.98</u>

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. EXPLANATION OF PERFORMANCE INDICATORS OF NON-ENTERPRISE ACCOUNTING STANDARDS

Applicable  Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

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

The Company comprehensively summarizes and evaluates the achievement of development goals and tasks in the first half of the “14th Five Year Plan” and the status of industrial development, further optimized and adjusted the Company’s “14th Five Year Plan” development plan, planned the key points, goals, tasks, and paths for optimizing and adjusting the industrial layout structure in the second half of the “14th Five Year Plan”, adjusted the overall development strategy to treat “intelligent control” as the root technology, focused on the “dual track” of rail transit and low-altitude economy, consolidated and expanded the advantages of the “three-in-one” whole industrial chain of rail transit signaling and communication engineering design, train control system equipment, and engineering technology services, constructed a “three industry and one ecology” industrial pattern of low altitude airspace management, unmanned aerial vehicle manufacturing, and operation services, strengthened the main position of scientific and technological innovation, cultivated and developed new quality productive forces, accelerated the construction of a world-class high-tech industrial group with global competitiveness, and enhanced the major strategic functions of serving the country. During the Reporting Period, the core business of the Company was still the rail transit control system and its derivative businesses, and there were no significant changes in the business composition.

The Company has been deeply rooted in the field of rail transportation control system in China and has deeply participated in the formulation of standards on relevant industries, the research and development and application of autonomous systems, the construction of relevant projects and the upgrading and maintenance of systems. It has a deep understanding of China’s railway and urban rail transit policy, operating model, market environment and other market elements, a strong ability to predict market changes and adjust resources for operation and can adapt to changes of the industry rapidly and lead the development of the industry. There were no marked changes in the production and operation models of the Company during the Reporting Period. The Company mainly obtains orders through public bidding, and mainly obtains raw materials for production through centralized procurement. The Company provides integrated and comprehensive services of rail transportation control system or customizable specialized services to its customers under the mature business model of design and integration, equipment manufacturing and system implementation.

There were no significant changes in the overall situation of the rail transportation control system industry during the Reporting Period. Seen from the perspective of global railway industry, international railroad infrastructure construction will maintain a relatively high level while technology, market and resources will continue to concentrate in leading enterprises. The rising trade protectionism in the European and US markets, and changes in the international situation intensified competitions in the international market

With respect to the railroad industry in China, according to the national strategic plan, by the end of the “14th Five-Year Plan” period, the total operating railway mileage in China will reach 165,000 kilometers, with high-speed railway operating mileage totaling 50,000 kilometers. In the last two years of the “14th Five-Year Plan”, the fixed asset investment in national railway is expected to return to a high level of over RMB800 billion, with domestic railway infrastructure construction maintaining at a higher intensity. The continuity of national policies provided development opportunities for railway infrastructure construction in China, which is expected to maintain a relatively high growth momentum in the next few years. However, as the Company’s businesses are at the tail of the railway infrastructure business, there is certain delayed effect of the relevant favorable factors. Meanwhile, as China’s railway operating mileage continues to grow, approximately 11,000 kilometers of high-speed railway put into operations ten years ago are now entering the stage of overhaul and renovation. For normal-speed railroads, as its new mileage is expected to gradually increase, the focus will be on the reconstruction of existing railway corridor projects, such as electrification, standards upgrading, capacity expansion and renovation. Therefore, the domestic railway industry is at a stage where new construction is the main focus, and new construction and upgrading are given equal importance.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Seen from the perspective of the global urban rail transit industry, there is still some space in the overall market. Southeast Asia, Middle East, Central and South America and other regions have a relatively big market space.

Seen from the perspective of the domestic urban rail transit industry, despite the tightening of national policies, the existing projects under construction and planned for implementation are sufficient to support the development of the industry. Meanwhile, a new round of urban rail transit plans in various regions are gradually being approved. During the “14th Five-Year Plan” period, the investment in the domestic new urban rail transit market is expected to maintain a relatively high level. The proportion of urban express rail construction increased year by year, and it has become a new growth point in construction work. The country promotes large-scale equipment renewal and renovation policies, accelerating the implementation of renewal, upgrading, and capacity expansion projects for early-operating urban rail transit lines.

The characteristic of high threshold of core technology in the rail transportation control system industry is still a basic factor and there are extremely high requirements for the safety, reliability, stability and sustainability of the products and services provided by enterprises, which requires relevant enterprises to have a strong anti-risk and technology research and development ability 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 cyclical characteristics empower certain self-cycling ability of relevant businesses, ensuring enterprises to carry out business at a relatively stable state during a certain period.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### II. CORE TECHNOLOGY AND RESEARCH AND DEVELOPMENT PROGRESS

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

The Company focuses on technology research & development, 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 had 4,838 authorized in the PRC patents, including 2,647 invention patents issued, to 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 HSRs, ICRs 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, on-board 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 driving of the train is realized; 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 and remote safe control have been addressed, and multiple indicators such as punctuality rate of operation and train parking accuracy, ride comfort and operation consumption have been improved.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 loco-motive usage plan and shunting plan, smart issuance of periodical maintenance and repair plan of vehicles and source control of train operation, as a result, the railway freight efficiency and intellectualization 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 including HSRs, normal-speed railways and 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 digitization, intelligence and informatization. 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 realized 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 including HSRs, ICRs and 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 utilization scenarios, an integration process of site installation, commissioning, test and construction standardization 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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, on-board 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 the 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 rail as conductor, addressed contactless safety signal source technology, mobile frequency key control signal digital spectrum analysis technology and all-region at transmission channel detection technology, and realized 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	Turn-out 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 and 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.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 and 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 multi-space 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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, manufacturing 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 broad-band wireless communication industry is based on broadband wireless communication technology of LTE-M/R, which can actualize 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 for 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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) railways 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 realize 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 realized 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, BeiDou 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 the full-electronic computer interlocking control system 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 characterized by small size, easy construction, high reliability, high maintainability and high safety.
20	CTCS2+ATO automatic turnback technology	Independently researched and developed	CTCS2+ATO automatic turnback 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 turnback after reaching the destination. It achieved automatic turnback 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 turnback, 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 customized 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 400MHz wireless dispatching and communication technology of railway digital trains addresses technical issues such as the bridging of wire SIP 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
23	Full-automatic flexible train formation technology	Independently researched and developed	Based on the characteristics of traffic flows at different ranges and hours, the full-automatic flexible train formation technology is a transportation organization technology achieving the best collaboration of passenger transport demand and vehicle capacity through the full-automatic train formation under vehicle scheduling. It has advantages in improving operation services, reducing energy consumption in traction power supply, cutting down vehicle inspection and repair fees and enhancing the capability on responding to traffic uncertainties and can effectively resolve the problem of unbalanced traffic flows at different operation stages, different operation hours and different areas and facilitate the "high cost performance" in 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.
25	Higher speed train control system technology (CR450)	Independently researched and developed	Higher-speed train control system technology breaks through the bottleneck of the reliability of safety control and equipment supporting 450km/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 rail-way network in scale.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
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 600km/hour or higher, which can be divided into on-board operation control, sectionalized 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.
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 centralized 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 annunciator 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 characterized by high energy-efficiency, high safety, long service life and adjustability, which is an upgraded product of existing railway signal display equipment.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
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 characteristics 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.
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 preassembly 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 labour intensity and high quality requirements at traditional construction sites to the curing process at the factory preassembly 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
32	Vision networking fusion algorithm warehouse technology	Independently researched and developed	With the vision networking fusion algorithm warehouse technology, a warehouse is formed to manage algorithm models, centralize the management of all AI algorithm models and provide AI analysis service capabilities, to realize 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.
33	Multimode signal system integration technology	Independently researched and developed	Multimode signal system integration technology addresses the integration technology of urban rail transit electronic map data, on-board GPS, mobile authorization, on-board man-machine interaction, ATS driving monitoring, rail side equipment control display, digital track circuit, etc., and innovates a complete set of technical system of "integrated multimode signal system", realizing a set of on-board, two modes of system, and nonsensorial connection, providing users with a brand-new extension and transformation mode of quasi-mobile closed circuit signaling system, and meeting the interconnection and network operation requirements between lines with different modes of signaling systems.
34	Highly safe, resilient and reliable control technology in fully automatic operation	Independently researched and developed	By applying the theory of real-time detection of computational correctness of key train safety equipment and formalized methods, combined with the system equipment failure pattern and safe operation requirements, the system adopts fault checking, fault correcting, fault tolerance and failure oriented safety technology, and achieves breakthrough in key technologies such as highly intelligent and fully automatic operation control, joint zone defense, adaptive operation of abnormal scenarios, and remote recovery from failures. It develops special fully automatic functions including static and dynamic testing for train dormancy wake-up, remote closure operations for garage doors, fully automatic obstacle avoidance and evacuation protection, automatic recovery after train displacement, remote restart and remote update of on-board/rail-side equipment data, etc., which realizes fully automatic operation with safe operation, failure adaptation, high-efficiency failure recovery, and intelligent operation and maintenance management.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 all-axis control theory and technology, and integrating trajectory tracking control technology with high-precision navigation and positioning, the direct objective is to minimize trajectory tracking errors. Through model predictive control and feedback control, a high-performance, highly reliable, and safe all-axis steering control system has been developed, enabling trajectory tracking and safety control for electronic-guided rubber-wheeled intelligent rail trains.
36	Online automatic deployment technology of control platforms	Independently researched and developed	The full-electronic interlocking system employs intelligent maintenance and distribution design methods, featuring decentralized configuration/data/software arrangements. Deployment technology for automatic deployment has successfully development through research, resulting in the development of a tool with automatic deployment capabilities. This tool adopts network access to ensure that no command output occurs during online programming and does not affect the normal operation of other systems, which enhances the efficiency and accuracy of on-site software updating and upgrading.
37	Centralized and efficient management technology for train operation behavior	Independently researched and developed	Through the causal relationship between behavior and data, for the high-risk operation defined in the actual management, an identification model for the operation scenario associated is established, focusing on changes in equipment status, route status, alarm log information, and other related factors; according to the model, it identifies the operation behavior represented by the corresponding data, and records the relevant information of the behavior scenario; it realizes the centralized management of train operation behavior and improves the management efficiency and quality. It promotes the standardization of train operation behavior while reducing management costs, and improves the standardization and safety of train operation behavior.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
38	Rail breakage inspection technology in ranges	Independently researched and developed	Through coupling resonance analysis of the rail and ballast bed's inductance, impedance, and capacitive characteristics using single-node devices, and employing multi-physics and multi-dimensional state feature extraction, massive storage data is integrated. Based on the analysis of features in various dimensions, research is conducted on multi-scale physical phenomena at different stages, such as health and rail breakage, as well as their characteristics under strong interference and high pulse variations. A rail health condition model is established to assess the current rail health status. A big data platform for rail health is built, and, combined with historical data, to generate a rail state evolution trend curve, so as to implement rail breakage inspection functions.
39	Electromagnetic environmental effects of rail transportation and electro-magnetic safety technology	Independently researched and developed	Electromagnetic environmental effects of rail transportation and electromagnetic safety technology are critical for ensuring the safe and reliable operation of trackside equipment, which tackles difficulties such as high-power (high voltage, large current simultaneous output), controllable multi-physics pantograph-network offline discharge technology, vehicle-ground network coordination electromagnetic environmental simulation technology, and electromagnetic compatibility forward design technology. These advancements support the research and development and optimization of rail transit signal equipment, ensuring the efficient, safe and stable operation of in-orbit products.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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	Disaster monitoring technology for rail transit with multi-modal perception across the whole region utilizes multidimensional and multi-modal methods such as video analysis and radar monitoring. It innovatively employs deep learning-based projection and codec algorithms to achieve deep alignment and integration analysis of the effective information contained in video images, video encoding, and radar echoes. This is based on a variety of custom-optimized algorithms for foreground extraction, target detection/filtering, specific area segmentation, and difference detection, supplemented by advanced technologies such as hardware acceleration, small sample detection, and multidimensional visualization, addressing the interference issues caused by complex environments along rail transit lines, and resulting in improved product performance and cost optimization across multiple business directions, from arterial railways, subways to smart cities.
41	Key technologies for overhaul and renewal of high-speed railway signaling system	Independently researched and developed	Based on the characteristics of China's high-speed railway signaling systems, quantitative and qualitative analysis methods are utilized by the key technologies for overhaul and renewal of high-speed railway signaling system to comprehensively analyze the overhaul and renewal project design, system integration, construction and installation, and project acceptance, resulting in the formation of a PHM evaluation standard system for key high-speed railway signaling equipment. By mastering performance enhancement technologies for high-speed railway signaling systems, a fully digital platform for all elements of high-speed railway signaling equipment is established. This supports the digital transformation and upgrade of maintenance and repairs for high-speed railway signaling systems, forming indoor integrated digital technology for high-speed rail signaling and "non-disruptive overhaul (無感大修)" system integrated technology. This approach reduces the impact of overhauls on operations, enables advanced planning and layout for the upgrade and renewal of high-speed railway signaling system equipment, and promotes the high-quality and sustainable development of high-speed rail.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
42	Comprehensive intelligent technology for marshalling yards	Independently researched and developed	Based on the developed comprehensive automation technology and the application of artificial intelligence and other new technologies, the comprehensive intelligent technology for marshalling yards combines with the intelligent demand of marshalling yards, and the upgrading points cover all aspects from plan preparation, route arrangement to outdoor execution, and realizes intelligent functions such as intelligent preparation of stage plan, automatic checking and determination of station capacity, whole-area control of signals in the station area, closed-loop control and management of hump gliding and automatic driving of shunting locomotive, etc. The operation efficiency of marshalling yards has been improved as a whole, providing the core foundation for the gradual realization of intelligent marshalling yards.
43	Technologies for urban rail signal control and transportation organization under complex and severe environments	Independently researched and developed	Technologies for urban rail signal control and transportation organization under complex and severe environments can make a thorough analysis of risk factors such as rain, snow, fog, and frost, along with dynamic assessments of key train operation parameters like adhesion conditions and available braking ratio under special environmental conditions. By integrating perception, artificial intelligence, automatic protection, and autonomous driving technologies, it enhances the urban rail transit signaling system's ability to perceive and adapt to complex and severe environments, and rapidly adjusts the strategies of safety control and autonomous driving, expanding the safety protection boundaries of the signaling system and contributing to the building of the "safest metro system".
44	Key 5G technology of rail transportation	Independently researched and developed	Key 5G technology of rail transportation establishes an efficient, realtime and safe data transmission channel, enabling large volumes of audio and video data transmission and data exchange in the railway system. It supports reliable and safe audio and video traffic control in the station area, facilitates the access to a large amount of terminal equipment in the station area and along the line, effectively reduces railway operation cost, improves railway operation efficiency, and vigorously promotes the intelligent upgrade and sustainable development of railways.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
45	General visual large model intelligent analysis technology for railways	Independently researched and developed	Based on artificial AI large model intelligent analysis technology, a general visual large model for the railway sector has been developed, enabling open category target detection, target attribute identification, and location recognition based on intelligent semantic prompt information. Taking the structure of the visual large model in the railway sector as the core, extracting effective information obtained through multimodal means, optimizing the functions of graphic and textual multimodal feature alignment, adaptive feature matching metrics, forming dedicated large model algorithms, systems, and intelligent analysis equipment for monitoring and alarm detection of abnormal intrusions in railways, to achieve the search and identification and intelligent monitoring of station personnel, lost items, circuit equipment status, natural disasters and so on.
46	Visualization and video monitoring technology based on 3D modeling and digital twin	Independently researched and developed	The visualization and video monitoring technology based on 3D modeling and digital twin utilizes Web3D modeling technologies such as html5 and WebGL to achieve more detailed and accurate model building, including equipment locations, layout orientations, and device panel details. Coupled with real-time data obtained through digital twin technology, it enables a true sense of "scene restoration", allowing for comprehensive perception of the on-site environmental status based on 3D visualization technology.
47	Trajectory synchronization technology for inspection robots based on spatial coordinate mapping	Independently researched and developed	Trajectory synchronization technology for inspection robots based on spatial coordinate mapping calibrates the inspection positions of intelligent inspection robots using spatial coordinate mapping techniques, based on 3D modeling and intelligent inspection. This enables real-time synchronization between the trajectory of the inspection robot in the 3D model view and the trajectory in the real scene.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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.

During the Reporting Period, the new key technologies for overhaul and renewal of high-speed railway signaling system constructs a fully digitalized platform for high-speed railway signaling equipment, which aims to reducing the impact of overhaul on operations and facilitating the digital transformation and upgrade of maintenance regarding the high-speed railway signaling system. The new comprehensive intelligent technology for marshalling yards incorporates new technologies such as artificial intelligence, combined with the intelligent needs of marshalling yards, to achieve intelligent functions such as intelligent preparation of stage plans and automatic determination of station capacity, which provides a core foundation in relation to gradual realization of intelligent marshalling yards. The new technologies for urban rail signal control and transportation organization under complex and severe environments, with the operation scene as a starting point, completely re-views various complex and severe environments such as rain and snow, identifies risk factors, designs multi-level braking rate parameter protection and adjustment as well as train organization linkage solutions for the signaling system that are suitable for complex environment, intelligently assesses critical operating parameters such as track adhesion and available braking rate in special environmental conditions, dynamically adjusts the strategies of safety control and autonomous driving, and expanded the safety protection boundaries of the signaling system. The new key 5G technology of rail transportation establishes an efficient, real-time and safe data transmission channel, enabling large volumes of audio and video data transmission and data exchange in the railway system. It supports reliable and safe audio and video traffic control in the station area, facilitates the access to a large amount of terminal equipment in the station area and along the line, effectively reduces railway operation cost, improves railway operation efficiency, and vigorously promotes the intelligent upgrade and sustainable development of railways. The new general visual large model intelligent analysis technology for railways achieves functions such as open category target detection, target attribute identification, and location recognition based on intelligent semantic prompt information, as well as the search and identification and intelligent monitoring of station personnel, lost items, circuit equipment status, natural disasters and so on. The new visualization and video monitoring technology based on 3D modeling and digital twin achieves more detailed and accurate model building, enables a true sense of "scene restoration", allowing for comprehensive perception of the on-site environmental status based on 3D visualization technology. The new trajectory synchronization technology for inspection robots based on spatial coordinate mapping calibrates the inspection positions of intelligent inspection robots using spatial coordinate mapping techniques. This enables real-time synchronization between the trajectory of the inspection robot in the 3D model view and the trajectory in the real scene.

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.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### *The details of awards for the National Technology Award*

Applicable       Not Applicable

<b>Name of Awards</b>	<b>Year of Awards</b>	<b>Name of Projects</b>	<b>Levels of Rewards</b>
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 jointless 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

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### *Awards of China Patent Award*

No.	Name of Patents	Name of Awards	Year of Awards	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 centralized 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 realizing 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 realizing 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	2022	China National Intellectual Property Administration
9	A method for realizing 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

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### ***The recognition situation of the National Specialized and New “Small-giant” Enterprises and the Model Enterprise of the manufacturing industry***

Applicable       Not Applicable

<b>Awarding body</b>	<b>Title awarded</b>	<b>Year of recognition</b>	<b>Name of products/name of companies</b>
Ministry of Industry and Information Technology of China	Single Manufacturing Champion Demonstration Enterprise	2020	Complete sets of equipment for rail transit control system
Ministry of Industry and Information Technology of China	Single Manufacturing Champion Demonstration Enterprise	2020	Development and integration of complete sets of equipment for rail transportation control system
Ministry of Industry and Information Technology of China	Single Manufacturing Champion Demonstration Enterprise	2021	Rail transit signal infrastructure
Ministry of Industry and Information Technology of China	Single Manufacturing Champion Demonstration Enterprise	2021	Train operation control system
Ministry of Industry and Information Technology of China	Single Manufacturing Champion Demonstration Enterprise	2023	Xi'an Railway Signal Co. (Railway electric switch conversion equipment)
Ministry of Industry and Information Technology of China	Single Champion Product	2022	Railway signal relay
Ministry of Industry and Information Technology of China	National Specialized and New “Small-giant” Enterprise	2022	Casco Signal (Beijing) Ltd.
Ministry of Industry and Information Technology of China	National Specialized and New “Small-giant” Enterprise	2022	Tianjin Railway Signal Co., Ltd.
Ministry of Industry and Information Technology of China	National Specialized and New “Small-giant” Enterprise	2022	CRSC Wanquan Signal Equipment Co., LTD.
Ministry of Industry and Information Technology of China	National Specialized and New “Small-giant” Enterprise	2023	CRSC Communication & Information Group Shanghai Company Ltd.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 2. Research and development achievements during the Reporting Period

As of the end of the Reporting Period, in terms of fundamental and forward-looking researches, the Company completed the research on electromagnetic environmental effects of rail transportation and the construction of the test platform, laying significant foundation for off-line effect test of pantograph network and prevention and protection technology verification. It overcame the technical problem of offline discharge of pantograph network under high power (high voltage and high current) simultaneous output and controllable multi-physical quantities, completed the construction of the first domestic 1:1 large-scale test platform, carried out the research on the characteristics and test methods for offline electromagnetics interference of pantograph network under the conditions of high voltage and high current at work frequency, the research on anti-interference technology of signal system under electromagnetic environment of 400 km/h high-speed railway. The high-speed maglev/low-vacuum tube (tunnel) high-speed train control system fulfilled routine pressure and dynamic suspension tests and a 12Kpa low-vacuum cabin equipment survey in the Yanggao test line in Datong. The “Electromagnetic Environmental Effects and Electromagnetic Safety Engineering Research Center in the Railway Industry” and “Railway Industry Engineering Research Centre for Intelligent Monitoring of High-speed Railway Operating Environment” became a technological innovation base in the railway industry recognized by the National Railway Administration of the PRC. The Company carried out technical research on SIL4 safety cloud platform, finished the research on the demand for interlocking products and urban rail ancillary products, and is conducting technical solution research on the safety cloud platform; carried out the research on massive Internet of Things technology, achieved breakthroughs in massive heterogeneous, multi-environment, multi-protocol equipment access and management technology, realizing 100,000-level equipment connection and data access capabilities.

In terms of supporting the construction of overseas projects, the Jakarta-Bandung Railway, a key flagship project of pragmatic cooperation between China and Indonesia, for which the Company provided with independent CTCS-3 train control system equipment, was successfully put into operation, which laid a solid foundation for the full operation of China’s high-speed railway overseas in terms of system, factors and industrial chain, serving as a demonstration example of China’s railway signal standards to “go global”; the first section (Dhaka-Bonga section) of the Padma Bridge railway connecting line constructed by China and Bangladesh was successfully put into operation, and China’s communication signal solutions achieved another good performance; the completion and acceptance of renovation project for the PCC control centre of Lines 1-6 of Mexico City was put into trial operation, ensuring the safe and efficient operation of Mexico City’s metro with China’s contribution and efforts; the Company completed the construction of laboratory in Serbia, supporting the application of ground equipment of ETCS train control system based on baseline 3 in Beograd-Stara Pazova section of the Hungary-Serbia Railway in Serbia; completed the DeBo certification on signaling machines and INDUSI transponders in Serbia and obtained the DeBo authentication certificate and therefore possessed the qualification for onsite application; such signaling machines were applied in Serbia; the on-board ETCS-400T system for five European nations passed all the tests of multilevel in main lines in Austria, and completed the NoBo and AsBo certifications as well as new version of TSI certification and the on-board JRU products completed the component-level DeBo certification in Germany; completed the construction of the laboratory in Thailand and the computer interlocking and CTC system development for the project in Thailand, and assisted the owner in completing the initial software testing of the 18 stations on site, which therefore strongly supported the renovation of railway signal systems in Thailand. Considering its acquirement of commercial contract granted by Guinea-Massi Railway, the satellite positioning-based mobile blocking train control system achieved another breakthrough with regard to China’s railroad technology and equipment in the international market.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In terms of supporting significant national strategies, based on long and big ranges, big and long tunnels, long and steep slopes as well as other extreme conditions of Sichuan-Tibet Railway, the Company finished the adaptability analysis and technical route selection of the existing communication signal system in Sichuan-Tibet Railway, developed the opinions on the selection of equipment for the communications and signaling system for Sichuan-Tibet Railway and prepared the analysis report and demand analysis report on the characteristics of Sichuan-Tibet Railway for the selection of the train control system and the communication signal system plan for Sichuan-Tibet Railway; the Company formulated the essential technology research report of Sichuan-Tibet train control equipment resulting from the success in its technical specification; for CR450 science and technology innovation project, the Company studied solutions on train control systems under two application scenarios, namely the construction of new high-speed rail with a speed of over 400km/h and the speed increase and transformation of existing high-speed rail with outstanding conditions, developed key technology and equipment and created system test and verification environment; in terms of the group operation control technology for heavy-haul trains of 30,000 tons, the Company completed the study on fundamental TVP train control theories, developed the formal model of railway transportation work flow based on the group operation of unit heavy-haul trains, developed a full set of freight signaling system equipment for heavy-haul trains based on ad-hoc network technologies, accomplished the construction of the group control system laboratory and the indoor test of the whole system, the on-site verification of the C0 function as well as the on-site trial of the system backup mode, and implemented the on-site trial of the H3 level function, which pioneered and led the development direction of heavy-haul trains around the world.

In terms of comprehensive three-dimensional transportation field system, for the project of integration of rail transit dispatch and control and connecting transportation service technology, the Company completed the overall technical plan of the system and the equipment prototype development of multi-modal control compatible double-set on-board plan of the train autonomous circumambulation control system; finished reports on a multi-modal coupled train operation plan dynamic compilation technology, a multi-source information fusion technology for comprehensive assessment of the transportation situation in relation to a composite road network and an intelligent detection and automatic elimination technology for conflicts in train operation; developed the C2+ATO onboard system on train control for urban railways, achieved successful conversion and obtained a commercial contract for the urban railway in Shanghai; Suzhou Subway Line 11, a fully automated operating rail transit line with a design speed of up to 100km/h was put into operation, which was connected with Shanghai Subway Line 11 for interchange, serving as a demonstration example for China to promote the across-region integration of urban rail.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In terms of promoting the technological development of the rail industry, the Company finished the research on the current status of domestic and foreign high-speed railway overhaul and upgrade, therefore obtaining a research report on material technologies for such abovementioned overhaul and upgrade, fulfilled the technical solution to high-speed rail train control system performance enhancement, the design plan brief for the overhaul and upgrade relating to typical high-speed railway signal system; completed the general technical solution to a four-power digital twin design simulation and operation integration platform, the development plan for a four-power equipment BIM family library, and the engineering configuration principles for railway four-power projects; the Company completed the research and development of the C3 train control intelligent analysis system and passed the review by experts for trial use, realizing “vehicle-network-land” whole chain data monitoring and intelligent diagnosis for C3 train control system; completed the on-site comprehensive trial and verification of new train control system based on BeiDou Navigation Satellite System, which passed the on-site trial use examination and was put into trial operation; completed the development of on-board and ground equipment of train control system for normal-speed railways, the on-board LKJ equipment obtained the SIL4 safety certification, and the ground data server equipment obtained SIL4-class safety letter of confirmation, and a field test was conducted at the two sections between three stations on the test section of Baotou-Shenmu Railway; completed the research and development of digital integrated management and control system of freight yard, and conducted engineering application verification of Mohan Freight Yard at the border between China and Laos, which had been officially put into operation, providing technical support for major projects such as rail-water joint transportation system, the multimodal transportation system of China Railway; carried out the research on key technology for 5G-R rail transit and developed the CIR prototype based on full 5G functions; carried out the research of the first 400MHz train digital radio dispatching communication system in China and completed the demonstration test at Shanghai Railway Bureau and Wuhan Railway Bureau; completed the architecture design, main function development, general algorithm development and packaging of the integrated analysis platform module of the Internet of Videos and deployed it in the field; conducted research on an integrated video surveillance system and completed video containerization and verification and performance testing; the railway-integrated video surveillance system that meets the new standards was the first to pass CRCC certification, which has been applied in the core node upgrade of China Railway. The project of video reinforcement for Tianjin-Qinhuangdao High-speed Railway, and the projects of video for Shantou-Shanwei High-speed Railway, Guangzhou-Shanwei Highspeed Railway, Guiyang-Guangzhou High-speed Railway’s renovation, etc. realized the integration of video cloud platform and the three-dimensional video, providing a more in-depth overall control over video surveillance and vivid scenario presentation, and remaining as the industry leader in terms of applications; the Company completed a railway communication intelligent equipment room management system that integrates multiple businesses such as intelligent perception, digital twins, and data visualization, which was applied at Wuhua and Sunning South Railway Stations of the Meizhou-Longchuan High-speed Railway; taking accounting of the complete set of “factory” construction technology for railway communication signal engineering based on BIM technology, such on-site equipment installation, commissioning, and functional test at Ningguonan Railway Station were achieved.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In terms of promoting the construction of smart urban rail transit, the Company released the “Xihe (羲和)” digital urban rail solution, which is committed to strengthening operational safety and resilience, and built two major platforms of intelligent operation control and intelligent maintenance pursuant to its independently developed open-track digital base and expandable signaling professional model, integrating a series of smart application products to assist the digital and intelligent transformation and upgrade of the industry; the Company successfully launched its highly effective Qiji autonomous train control system (TACS) with high-reliability vehicle-to-vehicle communication and vehicle-ground coordination, which is in compliance with the requirements for connecting the vehicle section and part of the main line areas of Shanghai Metro Line 3 and 4, therefore bringing about connectivity between sections, and the main line, laying the foundation for ensuring partial goals for the full connectivity of Shanghai Metro Lines 3 and 4 and opening a new chapter for the first time in the industry to launch the renovation of the most complex metro signal system; the accomplished the on-site verification test for the compatibility between TACS onboard and existing line CBTC, verified the feasibility of trains operating interchangeably between CBTC and TACS lines, which created new ideas for the application of multi-mode train control systems and provided a new solution to overhaul and renovation of urban rail signaling systems, becoming a milestone in advance in the sustainable development of the industry; it carried out the development of the TAPS system on autonomous perception of automatic unmanned train environment, which has been currently applied in Ningbo Subway Line 7, and led the industry in technological innovation; the Company took the lead in the application and research of key technologies of full automatic and flexible train formation, broke through the traditional operation and organization mode of train control system, which contributed to save energy and reduce carbon, the relevant functions of which were put into no-load trial operation on Beijing Subway Line 12, and which had been qualified for application in engineering practice; “multi-standard compatible signal system for integration of line and network” has been successfully applied in Changchun Subway Line 4 and passed the science and technological achievement review by China Association of Metros, which realized the use of CBTC system at extension line under the condition of digital track circuit signal system of the existing line, and met the operation needs of the whole line with compatible standard equipment. The Company independently developed a new generation of networked intelligent train Control system (NiTC) which obtained SIL4-class product certification, integrating the core functions of TACS system and keeping traditional degradation backup mode. The Company finished research on the signal control and transportation organization plan under complicated and tight environment, framed a multi-level braking rate parameter protection and adjustment plan of signal systems that can adapt to complex environment and is linked with train organization, which achieved the expansion of the safety protection boundary in relation to signal systems. The Company accomplished the first flight scenario verification for the unmanned drone AI inspection and emergency command system, which achieved multiple new functions such as efficient cooperative inspection, intelligent monitoring of foreign object intrusion, and system integration linkage and control, thereby growing a new capability for creating solutions to smart transportation from the ground to low altitude. The urban rail transit video surveillance system the Company developed has been applied in Changchun Subway Line 6.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In terms of the development of fundamental equipment, the Company's full electronic interlocking equipment software and system integration passed the CURC certification and obtained the first "Urban Rail Equipment Certification Certificate" in the industry, achieving the first breakthrough in the recognition of full electronic interlocking in the urban rail field; the digital track circuitry at stations completed confirmation of testing on its systems and SIL4 safety certification and passed industrial technical assessment; the Company completed the on-road trial of locomotive on-board relays and obtained the application report; completed the development and on-road trial of on-board relay, which passed the IEC standard type test conducted by a third party and obtained the compulsory orientation certification; completed the development of high-frequency digital AC power supply module and the prototype test of the lightweight power system under normal temperature and high and low temperature, forming the capability of small-batch trial production; completed the research and development of a long-distance information transmission type axle counting device, and the relay type inter-station axle counting device attained SIL4 safety certification; fulfilled the research and development of axle counting and tracking circuit co-cable transmission device, the SIL4 safety certification of which was acquired; achieved the on-road trial, the promotion and application of the outdoor monitoring system (split) for ZPW-2000 range rail circuit, the intelligent diagnosis system on turnout switch, the rail breakage monitoring system of turnouts, the electromagnetic heating snow melting system for turnouts, the ZD9 switch machine for which supporting DC four-wire system dual electric switch machine controls the circuit and other products.

Regarding the Company's core technologies and main products, in the first half of 2024, newly applied patents increased by 659, including 621 applied invention patents; newly authorized patents increased by 381, including 315 invention patents. Two invention patents of the Company, namely "a method and device for online fault detection of track circuit cables" (Patent No. ZL 201810333255.8) and "a method for implementing flexible train formation operation in urban rail transit" (Patent No. ZL 202010457840.6) were awarded the Silver Award under the 24th China Patent Award. The "key technology and application of intelligent control over the operation of rail transit train" undertaken by the Company as the main contractor was awarded the first prize under the Scientific and Technological Progress Awards by the Chinese Association of Automation, the "research and application of a radio block center (RBC) system", the "research and application of an intelligent operation command system for heavy-haul railway" and the "research and application of a multi-modal global-perception disaster monitoring system for complex environment for rail transit" undertaken by the Company as the main contractor were awarded the first prize under the Scientific and Technological Progress Awards by China Communications and Transportation Association. The project on the "research and development of key technologies and complete equipment for self-sensing and inter-control safety redundant track circuit adapted to multiphysics coupling" undertaken by the Company as the main contractor was awarded the first prize under the Scientific and Technological Awards by China Railway Society; the Company undertook 16 research projects supported by governmental authorities at national and ministerial levels, 20 research projects supported by industrial administration organizations, and the preparations of more than 20 standards at national and industrial levels. One expert was awarded the "IEC 1906 Award" authorized by the International Electrotechnical Commission for the year 2023 following the official release of three cumulative international standards edited by the Company as the lead editor, and the progress of which was smooth. As a sponsor of authoritative journal Railway Signaling & Communication Engineering in the rail transportation control industry, the Company has published research and development and application achievements in the industrial authoritative journals, such as Railway Signaling & Communication sponsored by China Railway, Journal of the China Railway Society and Railway Signaling & Communication Engineering sponsored by China Railway Society.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

List of intellectual property rights obtained during the Reporting Period

	Increase for the period		Accumulative number	
	Number of applications	Number of approvals	Number of applications	Number of approvals
Invention patent	621	315	6,006	2,647
including: overseas patent	26	15	718	286
Utility model patent	42	65	2,833	2,043
Design patent	1	1	189	148
Software copyright	150	119	2,471	2,167
Others	0	0	4	4
Total	814	500	11,503	7,009

### 3. Research and development investment

Unit: RMB Yuan

	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Expensed research and development investment	750,408,885.34	648,673,283.76	15.68
Capitalized research and development investment	38,521,006.42	68,317,319.70	-43.61
Total research and development investment	788,929,891.76	716,990,603.46	10.03
Percentage of total research and development investment in revenue (%)	5.54	4.31	Increased by 1.23 percentage points
Percentage of capitalized research and development investment (%)	4.88	9.53	Decreased by 4.65 percentage points

#### ***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

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 4. Projects under development

Applicable       Not Applicable

Unit: 0'000 Yuan    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 centralized traffic control system	15,858.06	2,122.21	12,522.23	Combined with the automatic adjustment requirements of high-speed railway operation plan and the demands for integration of OCC and ESC, the functions related to intelligent CTC were further optimized, completed the application of intelligent CTC automatic adjustment for Qinghai-Tibet Company's normal-speed railways; application of multi-professional collaborative scheduling of integration of ESC was expanded in Wuhan Bureau and Qinghai-Tibet Company; pilot cooperation on scheduling command correction based on artificial intelligence semantic analysis was carried out in Shanghai Bureau; the CTC system at the hub station has achieved integrated control of trains and shunting, and Wuhan Bureau has expanded its application to nearly 20 stations. At the same time, it has been promoted synchronously in Lanzhou Bureau, Huhe Bureau, Jinan Bureau, Shenyang Bureau, etc., and has been applied to more than 100 technology workstations nationwide.	To complete the research and development of a new generation of centralized traffic control system and apply it in engineering practice	The new generation of centralized traffic control system adopts the principle of intelligent decentralized and self-discipline design to realize the unified control of train and shunting operation, and realize the safety management and card control of station-level operation.	It can be applied in the field of railway

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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	18,180.98	3,357.33	11,188.38	Carried out on-site testing of the operation control system technology research and application project for China Shenhua heavy-duty train group, completed the HTCS-1 level functional test on the test section of two sections in three stations, and completed more than 30 high-speed train test sequences, covering multiple system level functional verification work including 400M train ground wireless communication function, group interlocking function, etc.	To assemble the equipment for the ad-hoc network and high-density automatic operation control system of heavy haul train	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, which is at the leading level in China.	It can be applied to domestic heavy-haul railways
3	Development of a new train control system	16,294.01	773.43	14,182.16	Completed the trial assessment of new train control system in the Hetian-Ruoqiang Railway with stable operation of equipment. The autonomous train operation control system based on Beidou positioning has been officially launched in the Shenma Group mining area railway of Pingdingshan Coal.	To assemble a complete set of equipment for the new train control system	Based on the mature technical application of the existing train control system and combined with the BeiDou Navigation Satellite System positioning technology, it builds a moving block technical scheme suitable for heavy-haul railway, shortening the train tracking interval and improving the overall transport capacity of heavy-haul railway.	It can be applied to domestic heavy-haul railway

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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	Development of train fully-autonomous operation and control system	30,169.63	6,033.08	20,457.80	The system has been put into commercial operation on Shenzhen Metro Line 20, becoming the first TACS system in the industry to operate commercially. The system has been stable since its operation for two years. The version for high-speed train testing that meets the requirements of connecting Shanghai Metro Line 3 and Line 4 depots and certain main line areas has been released, achieving the connection between the depot and the main line, and laying the foundation for realizing the partial goal for the full connection of Shanghai Metro Line 3 and Line 4.	To assemble the train fully-autonomous operation and control system	It completed the development of the first Train Autonomous Circumambulate System (TACS) based on vehicle-to-vehicle communication in China, which has reached the advanced level in the world.	It can be applied in the field of urban rail transit
5	Basic technology research	12,084.00	1,862.15	7,938.29	Completed the research and development of digital track circuits for the station, completed system testing confirmation, and completed on-site testing; the safety type LED signal has obtained Serbian certification and completed the first piece inspection.	To complete the fundamental and deep-level scientific mechanism research on lightning protection and electromagnetic compatibility of signal products under complex environment to provide scientific basis for subsequent product research and development.	The research aims to improve the safety and reliability of rail side signal equipment of railway and develop digital track circuit and railway safety signal display equipment, which has reached the leading level in the industry	It can be applied in the field of railway and urban rail transit
6	Research on key technology and equipment development of train control system for normal-speed railways	7,420.54	174.69	5,880.32	All research work of the project has been completed and preparations for completion are underway.	To form a complete set of CTCS-1 system suitable for normal-speed railways	The system can realize the detour of high-speed railway trains on normal-speed train lines, and the interconnection between high-speed railway network and normal-speed railway network, which has reached the leading level in the industry.	It can be applied in the field of railway

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
7	Integrated development and certification of onboard systems in five European nations	3,148.00	632.16	2,042.25	Completed the software change for the German mainline test and updated the Asbo certificate. 80% of the development progress for the Deuta dual 8-inch DMI has been completed	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)
8	Development and application of intelligent subway operation and maintenance	9,030.77	661.47	7,611.60	Completed the development of functions such as multiple professional data governance, equipment health evaluation, and production planning and scheduling, and put them into pilot applications in Shanghai Metro and Ningbo Metro. In addition, it has also improved the functions of the commission maintenance system in conjunction with Zhengzhou Metro and Chengdu Metro.	To realize the condition maintenance based on intelligent operation and maintenance system, comprehensively improve equipment reliability, prolong equipment service life, greatly improve maintenance efficiency and greatly save labor 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 in the fields of railway and urban rail transit
9	Development of rail side target controller	10,424.27	832.35	9,812.25	Completed the release of the system and put it into use on Shenzhen Metro Line 20; completed the release of local control logic for turnouts and conducted trials on Shanghai Metro Lines 3 and 4; completed the full process release of non-national standard switch machine and debugged and used them on-site on Shenzhen Metro Line 3; completed the development of PSD control function for Xuzhou Metro Line 6.	To create rail side target controller, and adapt to each control system based on the application scenario.	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 in the fields of railway and urban rail transit

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
10	Research on high-speed maglev/low-vacuum pipeline (tunnel) high-speed train operation control system and production of equipment	5,525.00	1,617.17	3,994.61	Completed the research on the partition operation control system and cabin load control system, and completed the first phase of on-site testing for the Shanxi Datong Yanggao ultra-high-speed maglev test line; carried out the development of high-speed maglev two-stage zoning and onboard software functions, as well as the development of high-speed maglev positioning and speed measurement loop.	To establish the maglev train control system and equipment with proprietary intellectual property rights and supporting high-speed maglev with a speed of 600km/hour and low-vacuum pipeline (tunnel) high-speed train with a speed of 1,000km/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
11	Development of interlock equipment in Thailand	1,412.30	35.68	692.61	Completed the development and testing of interlock engineering equipment in Thailand, and obtained a stage confirmation letter.	To complete the development of interlock equipment applicable to Thailand and obtain the SIL4 safety authentication certificate. To apply in railway projects in Thailand.	The interlock equipment in Thailand developed has outstanding operation performance with excellent electromagnetic compatibility and lightning protection performances. With a reasonable design on the structure of the application software, it is conducive to expansion and realizing its functions.	It can be applied in railway projects in Thailand

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
12	Development of autonomous perception system of trains	4,338.00	548.75	2,762.23	Completed the optimization and change of the Ningbo 7 project plan to realize a longer recognition distance and richer perception information; completed the interface formulation and development between TAPS (which is capable to control the vehicle with CC); satisfied the interface requirements for the urban rail transit system solution, and provided direction for the subsequent implementation of perception system empowerment for efficiency improvement, and speed reduction without degradation.	To achieve the perception and prevention of rail side obstacles in rail transit, offer auxiliary assistance to the safe operation of trains and provide the function of manual intervention by the dispatcher.	With laser radar-based obstacle detection devices, it detects trains ahead and identifies route signals in advance to safeguard the safe driving in rail transit. It is at the leading level in the industry.	It can be applied in the field of urban rail transit
13	Research on application of integrated technology on railway videos	1,818.40	431.55	1,219.35	Supplement four additional interface protocols according to the railway video standard protocol, completed the development of the integrated information security management machine product; and completed, verified and tested the video cloud application management platform V1.0; completed the station 3D real scene video system V1.0 and array computing vision system V1.0.	To meet the three-level railway management systems on comprehensive videos of railways and achieve the intelligent connection of comprehensive videos through the front end and cloud platforms; to develop the cloud application management platform for videos of railways; to develop the three-dimensional real-scene video system for dispatch and command scenarios of railway stations.	It achieved containerized application, achieved easy deployment through the visualized cloud native and met the monitoring and operation maintenance demand for videos on all business with a leading level in the industry.	It can be applied in the field of rail transit

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 on application of comprehensive monitoring technology on railway communications	1,323.00	274.74	1,058.79	Completed the development of the dynamic monitoring V3.2 platform; completed the research and development of the tower monitoring platform; completed the development of the prototype of the tower monitoring host equipment; completed the development of a prototype of the energy consumption monitoring host for the computer room; completed the research and development of the security integration platform and its engineering application in Fuqing Nuclear Power Plant.	To study the monitoring system and platform for railway communication towers based on the BeiDou Navigation Satellite System system; to develop the new version of the monitoring systems on power and machine room environment for railway communications.	It achieved the monitoring systems on towers based on the BeiDou Navigation Satellite System and the dynamic monitoring systems on communications with a leading level in the industry.	It can be applied in the field of rail transit
15	Research and application of train control systems for Zhunchi Railway	6,350.00	1,189.60	2,263.67	Completed the installation and commissioning of DCC in three stations of Gaojiabu, Wochang and Balipu, and TSRS equipment in Balipu, completed the testing and commissioning of the signal safety data network channel of Gaowochang - Gaojiabu - Balipu, and completed the review of the on-site testing plan.	To complete the research on integrated key technology for the BeiDou Navigation Satellite System-based train control system of heavy-haul normal-speed railways; to complete the R&D of on-board and ground equipment for train control systems of heavy-haul railways and civil defense systems and equipment for on-road operation; to complete on-site trials of Zhunchi Railway.	It laid solid safety foundations for the construction of intelligent heavy-haul railways, developed a set of BeiDou Navigation Satellite System-based train control systems for heavy-haul railways with easy implementation and renovation and low cost and reliance by fully leveraging on the basis of existing signal equipment and met the demands for application and interconnection in projects with a leading level in the industry.	It can be applied in the fields of normal-speed railways, heavy-haul railways and local railways for special uses



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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	Train Control System Research of Sichuan-Tibet Railway	2,000.00	241.21	429.69	Completed the technical scheme for the communication signal system of the Sichuan-Tibet Railway, completed the technical specifications for the Sichuan-Tibet train control system, and the research report on key technologies of the Sichuan-Tibet train control equipment.	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 suitable for Sichuan-Tibet Railway, support the equipment development of Sichuan-Tibet Railway, and ensure the construction, operation and maintenance of Sichuan-Tibet Railway and other railways in the western regions.	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 Sichuan-Tibet Railway, 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, multi-level redundancy and high toughness mobile communication technology emergency monitoring, dispatching and command with comprehensive linkage of multiple disciplines and other key technologies.	It can be applied in Sichuan-Tibet Railway, Western Railway

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
17	Research on trail control systems of high-speed rail with higher speed	1,367.00	555.82	951.94	Formulated a 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; completed the development of a large-scale responder prototype and the study of the impact of electromagnetic environment on the control system, and completed the system laboratory verification.	To study solutions on train control systems under two application scenarios, namely the construction of new high-speed rail with a speed of over 400km/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 450km/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 400km/h
18	Integration of Rail Transit Dispatch and Control and Connecting Transportation Service Technology	1,450.00	455.04	628.51	Completed the preparation of the laboratory plan, overall requirements and plan optimization, and company-level review of the technical plan for the autonomous train operation control system; the design of the GoA3/GoA4 dispatch function system and external interfaces for the regional road network comprehensive dispatch system, as well as the development of the system prototype are underway.	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 realize the integrated operation from "passenger flow to wheels".	It effectively improves the operation and equipment technologies of regional rail transportation, reaching the domestic leading level.	It can be applied in intercity railways, urban (suburban) railways, urban rail transit and other various rail transits

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
19	Research on digital control technology for freight yards	2,407.00	953.48	1,271.07	Completed the control scheme for the gantry crane, developed the technical scheme for integrated customs clearance operations, and developed and tested the prototype of the automatic driving system for machine adjustment.	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 standardization 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
20	New-generation network-based and intelligent train control system	13,200.00	3,315.88	8,917.97	Overall technical plan on the new-generation network-based and intelligent train control system was completed and R&D and indoor testing of sample machines with key technical principle of high-performance reaction were completed. Field test of key technology of high-efficiency reaction was completed. The highest SIL4 level safety certification was obtained, the TACS system core functions and reaction capability were integrated, and traditional downgrade backup mode was retained.	To conduct independent innovation in the network-based train control systems for urban rail transit based on the new-generation communications and artificial intelligence technology with the focus on the strategy on the building of national strength in transportation. To innovate the flexible formation, the refined resources control, the intelligent transportation organization based on traffic demand and the multi-dimensional data analysis theories, achieve breakthroughs in intensive systems and structures, high-performance reaction, intelligent train control, smart dispatching, intelligent operation and maintenance as well as other key technologies, promote the network-based, intelligent, green, digital and rapid development of urban rail transit and improve the dispatch, command and emergency response capability and the intelligent dispatch, operation and maintenance of urban rail transit.	While achieving high-efficient operation through the adoption of the simplified systems and structures, it retained the complete degrading model, innovated the preparation, adjustment and simulation of the network-level operation plan, the automatic linkage of emergency proposals on train dispatch, the resources refinement and coordinate control of on-board active routes, the control on energy-saving operation, the decisions on active repair alarming and other advanced rail transit technologies and develop an efficient and intensive urban rail transit signal system towards green and intelligent urban rail transit. Core technologies can achieve integrated application with existing systems with the technology reaching the advanced level in the world.	It can be applied to CBTC, FAO and other new and renovated lines in urban rail transit

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
21	As-frequent-as-buses and networking train dispatching system for urban railways	4,493.89	1,650.43	3,813.10	Shanghai Urban Airport Line successfully completed the incremental speed test and achieved the phased goals of the joint debugging and testing work.	To achieve the self-organized dispatching, interoperable and optimized dispatching, multi-layered active and coordinated dispatching as well as emergency linkage and dispatching of networking trains for extra-large urban railways; to improve the emergency response efficiency and the emergency handling capacity in scheduling and command and guarantee the operation safety and efficiency of extra-large networking urban railways.	It can establish analysis models on the travelling network of passenger flows and their evolution mechanism as well as analysis models on disturbance correlation and passenger flow coupling and mutual-feedback mechanism under network-based operation. For different levels of operation disturbances of network, it can establish models on the adjustment of operation plans based on active control as well as automatic matching models and algorithm at the bottom of trains to rapidly solve and generate scheduling adjustment plans with high optimization and availability. The technology will reach the domestic leading level.	It can be applied in the field of urban railways

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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	Comprehensive automation system on the operation of urban rail transit for train traffic control	5,809.36	771.59	1,581.74	Completed the enhancement of fully automated shunting functions and intelligent station functions, including multi-language and cross-platform support, mobile passenger boarding and coordinated disposal at the line level, pre-simulation and analysis of operation plans, and prioritized judgment of shunting routes; applied in the comprehensive monitoring system in Guadalajara Line 4 in Mexico, multi-post collaboration in Shanghai, and the intelligent parking project in Chengdu 17/18.	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 in the field of urban rail transit

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
23	Research of multidimensional energy compound range rail breakage inspection technology based on ultrasonic guided wave	1,025.50	156.77	411.88	Completed the company-level review of the system plan. Preliminarily completed the design and manufacturing of the on-track transducer for the system prototype, as well as sensor selection. Completed the design requirements for the functional prototype and currently working on the trial production of the transducer and the development of the rail side processing unit. Completed key technology research on ultrasonic guided wave modes and encoding and decoding, with the initial determination of the excitation signal form. Completed simulation and testing verification of symmetric excitation and phased array excitation enhancement forms. Completed simulation model for the coupling of piezoelectric transducers with steel rails.	To study multidimensional energy compound testing technology based on ultrasonic guided wave and develop range steel rail breakage inspection systems and equipment with high reliability, engineering application, few maintenance and high technological and economical efficiency towards the demand for range rail breakage inspection in normal-speed railways and urban rail transit.	It can achieve new technological breakthroughs in the product-based application of long-range rail breakage inspection and will reach the advanced level in the world.	It can be applied in the field of railway and urban rail transit

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 of fundamental equipment and safety products for rail transit	5,608.94	286.68	4,754.32	Completed the design for the improvement of adaptability and the first batch production of switch equipment for the project in Tanzania, the design for the optimization of waterproof and the manufacturing and commissioning of the prototype of JM-typed density detector, and the transformation and design of drawings for new external-locking Devices; completed the trial manufacturing of prototype and relevant test for JC-C AC and high-sensitivity locomotive onboard relays; completed the design, development and test of AC series power modules and miniaturization monitoring units; completed the design, development and trial manufacturing of full electronic axle counting.	To complete the development of turnout switch equipment, relays, AC power supply modules, axle counting equipment and other new-generation fundamental equipment and safety products for rail transit.	It can improve the technical level of fundamental equipment and safety products for rail transit and develop new-generation fundamental equipment and safety products for rail transit meeting international and domestic technical requirements. It will reach the advanced level in the world.	It can be applied in the field of railway and urban rail transit

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
25	Research on the BIM-based integrated technology on "factory-based" construction in railway signaling & communication projects	1,500.00	300.00	1,003.37	Completed the construction of "factory-based" prototype station for communication signaling at the preplanned base, deployed combined cabinet for signaling simulating four-lane station and deployed equipment cabinet for "unification" of communication. Completed synchronously the development of factory-based ancillary products including 28-bit visualization plug-in connector, plug-in type 2M terminal block, dual plug-in type network patch panel. Completed on-site factory installation, debugging, and functional testing of equipment at Ningguo South Station.	To solve the difficulties in unstable construction quality and high construction cost in the construction of railway communication signal machine rooms, the renovation projects, overseas projects and construction of projects under severe environment in particular, as a result of the right construction schedule, the difficulty in labor recruitment, the shortage of materials and the adverse construction environment.	Based on BIM modeling, with the target of factory preassembly and fabricated onsite construction and through modularization, unification, plugging and splicing, clustering and fabrication, it brought forward operation with high on-site labour intensity and high quality requirements at traditional construction sites to the curing process at the factory preassembly 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.	It can be applied to the professional construction of domestic and overseas railway signaling & communication projects
26	Research and application of range rail breakage inspection technology	274.50	106.49	176.49	For the research and application of range rail breakage inspection technology, technical investigation and study and plan design and analysis were conducted, range rail breakage inspection technology plan was formed, the review of drawings design and the preparation of software framework protocol were completed, the hardware production of rail breakage monitoring prototype and software debugging were completed, and tests and applications have been conducted on Hanhuang Railway.	To study the range rail breakage inspection system and equipment, and monitor the health status of rail in a real-time manner, to improve the operation and maintenance capability.	A range rail breakage inspection system can be formed and the problem of long and large-sized range rail breakage inspection application technology can be solved.	It can be applied in the field of railway and urban rail transit



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
27	Research on key parameters detecting and monitoring technology for industrial and electrical equipment of turnout	2,000.00	847.39	1,674.09	Targeting the items and key parameters of turnout check, and combining with the dynamic acquisition of three-dimensional high precision point cloud data, as well as the design and integration framework for inertia measurement system, formed the overall technical plan for rapid detection system for works of turnout based on Qianduo Network sensor fusion; completed the phasic research on rapid detection system for geometrical parameters of works for turnout.	To form a safe health evaluation method for the application of turnout switch equipment, and to achieve the objective of feasible malfunction and status warning realization methods and authentic warning and maintenance reminders through test and verification.	The research achievement can realize timely and precise maintenance and repair and preventative maintenance and repair of the turnout switch equipment by the operation and maintenance units, which is of significance to the enhancement of efficiency of equipment operation and maintenance and the reduction of on-site maintenance work load.	It can be applied to the field of rail transit
28	Research on the technology of intelligent diagnosis and safety monitoring for train control system of high-speed railway	800.00	108.18	562.18	The development of the intelligent diagnosis system for train control was completed, the system test was completed and the technical review by Guangzhou Municipal Science and Technology Bureau was completed.	To complete the benchmark product for intelligent diagnosis and intelligent maintenance of train control system for C2/C3 lines, to provide all-round maintenance support for signaling system.	Products may include train control, computer interlocking, temporary speed limitation server, wireless blocking center, and other core signaling products, to provide comprehensive intelligent maintenance support. The technology has reached advanced level in China.	It can be applied to the fields of C2/C3 and overseas rail transit
29	The project of research on holoaxial diversion control system for intelligent rail	744.28	484.19	738.76	R&D and laboratory testing of holoaxial control system were completed; tests were conducted at the test sections of Jiaozhou Intelligent Railway.	To realize the operation of passenger taking for the holoaxial conversion control system, and develop the holoaxial control products of the Company.	The trajectory tracking control technology integrating high-precision navigation and location, and high precision of tracking of diversion trajectory of trains. The technology has reached advanced level in China.	It can be applied to the diversion system of intelligent railway

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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	Research and equipment development of multimode interoperable train control system	2,700.00	100.00	100.00	Conducted industrial research on ATP and ATO onboard equipment (including BTM, TCR, radios, etc.), involving cabinet design, multimode interoperable train control system solutions, and ground-compatible equipment interface specifications.	This project includes the development of integrated onboard ATP/ATO equipment, compatible train safety control center equipment, research on multimode interoperable train control system solutions, as well as on-site testing and verification, to meet the diverse application needs of urban railways.	The urban train control system to be studied in this project is based on the CTCS technology system. It aims to build an urban train control system based on moving block technology, network communication as the backbone, lightweight, intelligent, and green equipment as the target, which supports CBTC and CTCS multimode connectivity operation through ground compatibility, meeting the requirements of urban railway commuting, high speed, multimode flexible marshalling, high density, and public transportation characteristics.	It can be applied in urban (suburban) railway train control system
31	Research on space-based train control system solution and key technologies	420.00	10.10	10.10	Completed research on key technologies related to space-based communication services, available satellite communication networks, and security guarantees.	To study key technologies of space-based train control systems that are low-cost, easy to maintain, and quickly deployable, and develop a prototype based on communication equipment principles.	It targets the forefront of global technology, seizes the direction of space-based positioning communication, reduces the complexity of train control system, minimizes on-site maintenance, lowers construction costs, and significantly improves transportation efficiency without relying heavily on ground infrastructure.	It can be applied in low-density railway lines in the central and western regions and local railways

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
32	Research on two-level train control system based on rail side digitization	4,400.00	510.00	510.00	Completed the requirement report for the two-level train control system for urban rail; completed the design of various digital intelligent rail side equipment solutions; completed the verification of key technologies for long-distance reliable communication in the two-level control system architecture; completed the design of the logic centralized deployment system; and completed the adaptation plan for the two-level train control system for urban rail based on the logic centralized deployment system.	To develop a "rail side-central" collaborative train control system and equipment based on rail side digitization and logic centralized deployment. The two-level architecture urban rail train control system is being field-tested in the Dusishan Rail Project, while the two-level architecture interlocking system and rail side equipment are undergoing field trials in local railways.	It develops a new generation train control system architecture to comprehensively promote functional innovation and efficient collaboration of train control system, significantly enhances operation and maintenance quality and efficiency, and breaks through the traditional development mode of train control system.	It can be applied in the market sectors of new construction and renovation for arterial railways and subways
33	Research on the integrated platform for design, simulation, and operation and maintenance of Four Electric digital twin	5,280.00	270.00	270.00	Initiated project establishment work and completed the initial draft of the overall technical proposal for the Four Electric Digital Design "1+N" Platform.	To build a comprehensive lifecycle management platform for Four Electric engineering, with data as a key element, integrating and reshaping the construction process of Four Electric engineering, achieve the digital transformation of Four Electric engineering services internally, streamline the digital processes of design, construction, and equipment within the Company, drive the traditional industry transformation and upgrade internally, and enhance the overall factor productivity through supply-side reforms.	It constructs an integrated platform for Four Electric digital twin design, simulation, and operation and maintenance, and vertically integrates data across the entire lifecycle of design, equipment, construction, and operation and maintenance. Visualization rates in design increase by over 90%, three-dimensionality rates increase by over 90%, and automation rates increase by over 80%; construction cycles are reduced by over 10%, overall lifecycle costs decrease by over 10%, and operational efficiency improves by over 10%.	It can be applied in the profession of Four Electric Systems

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
34	Research on the comprehensive intelligent system CIPS2.0 of marshalling yard	2,316.00	310.00	310.00	Completed surveys at stations such as Chengdu North, Xinglongchang, Jiangcun, and Yugu; completed research on new technologies like artificial intelligence and robotics; completed project planning; and completed the overall technical proposal.	To build an intelligent marshalling yard, aiming to achieve intelligent phase planning, automatic generation of decision-making indicators, comprehensive control of station signals, automatic coupling at the top of the hump, precise control of hump release, and automatic driving of shunting locomotives.	Research is conducted on existing marshalling yard systems to achieve intelligence indoors and mechanization outdoors for marshalling yard, leading domestically in this field.	It can be applied in railway marshalling yard and sections with automated hump operations
35	Moving block train control system based on satellite positioning	8,770.00	548.86	548.86	The moving block train control system based on satellite positioning headed towards the international market, and secured a commercial contract for the signal and train operation control system of Maxi Railway in Guinea.	To make a safe, efficient, and cost-effective moving block signal system solution tailored for freight railways.	It utilizes advanced technologies such as intelligent information processing, multi-source integrated train autonomous positioning, full electronic target control, SIL4 train integrity checking, and heavy-load train control, to achieve comprehensive dispatch command covering the entire freight transportation process and light-weighted moving block train control.	It can be applied in freight railway

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
36	Xihe Digital Urban Rail Transit Solution	5,858.00	1,161.72	1,161.72	The digital urban rail solution research project completed the release of the conceptual prototype at the 6·28 digital urban rail laboratory level, and was introduced and demonstrated at the 2024 Digital Urban Rail Innovation Forum held by Shanghai Rail Transit Unmanned Driving and Train Control System Engineering Research Center on 28 June.	To focus on enhancing operational safety and resilience, and build two platforms including intelligent operation control and intelligent operation and maintenance based on independently developed open rail transit digital infrastructure and scalable signaling professional models, integrating a range of intelligent application products to support the industry's digitalization and intelligent transformation and upgrade.	Based on the open rail transit digital infrastructure, it establishes two core platforms such as intelligent operation control, and intelligent operation and maintenance, creating the "smart brain" and "health manager" to safeguard train operations; through the deep integration of advanced technologies such as multi-source ubiquitous sensing, trustworthy artificial intelligence, big data, and the Internet of Things, it achieves the innovation and optimized configuration of production elements in various aspects of train operation and maintenance; it possesses characteristics of innovation, high technology, high safety, high efficiency, and sustainability, significantly reducing labor and management costs, while providing passengers with more efficient, safer, and reliable travel services.	It can be applied in urban rail transit

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
37	Research and application of general large-scale vision models in railway sector	1,300.00	115.65	115.65	Completed the development of the open-category object detection module for large-scale vision models, along with hardware deployment acceleration; completed the development of the feature extraction and search module for large models in images/text; formulated and optimized rules for sample annotation, and completed the collection and annotation of 100,000 image samples and 200,000 image-text paired samples; and completed technical architecture design for product functions such as cross-camera personnel tracking and lost item comparison at Kunming Station for large-scale models.	Building upon the core of large-scale vision model architecture in railway sector, and further extracting valuable information obtained through multimodal means, to develop specialized large-scale model algorithms, systems, and intelligent analysis devices for railway abnormal intrusion monitoring and alarms, and create a railway abnormal intrusion detection solution based on multimodal fused large-scale models.	By fully utilizing the large-scale vision model on top of its existing general object categories, and adding over ten specific object categories unique to the railway sector, it addresses the challenges of small or even zero-sample training for specific objects in railway scenarios, as well as cross-scene, cross-modal matching, and retrieval issues for personnel, objects, and more in the railway sector. In the vertical application field of rail transit, the large-scale vision model exhibits industry-leading capabilities.	It can be applied in rail transit
38	R&D and application of integrated air-ground network full-domain intelligent perception system	655.00	155.75	155.75	Completed the development of the mobile APP for the video AI cockpit application platform; completed localization adaptation including database, middleware, and operating system development; completed the upgrading of the algorithm management and access scheduling modules of the video AI empowerment analysis platform system V2.0; completed the development of functions for task center, sharing center, and strategy center; and completed localization adaptation of the operating system, database, and middleware.	To actively sense and alert events using artificial intelligence technology by accessing data from video, sensor devices, and other sources, forming an integrated air-ground network full-domain intelligent perception system, and actively sense and alert urban events, aiding in the intelligent management of cities.	It accesses a large number of urban-level sensing devices based on IoT technology, and constructs a full-domain intelligent perception system integrating air, ground, and network with active sensing and intelligent handling capabilities based on technologies such as AI analysis and spatial location analysis, achieving centralized access and management of video and sensor device resources, real-time analysis of alert events, and urban event perception.	It can be applied in smart cities

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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
39	Research on key technology for intelligent operation and maintenance of railway communication machine room	676.50	28.90	28.90	Completed the intelligent operation and maintenance technology solution for railway communication machine room; completed the software development of the intelligent operation and maintenance management system for railway communication machine room; completed the development of the full life-cycle management subsystem for equipment of railway machine room; completed the application in the Meizhou-Longchuan High-speed Railway project; and completed the prototype development of the battery balance management equipment.	Based on intelligent perception technology, digital twin technology, data visualization technology, and other multi-service integrated machine room management system, to establish a security management mode of real-time monitoring, early warning, in-event alarm, and post-event evidence collection in the operation and maintenance management of machine room, thereby alleviating the work pressure of the operation and maintenance department and improving the work efficiency of maintenance support personnel.	Visualization monitoring based on 3D modeling and digital twin technology; synchronization of room inspection robots and 3D scene spatial trajectories in machine room; support for battery balancing and management to enhance battery lifespan; utilizing PHM technology to achieve industry-leading levels of health state detection and prediction for communication equipment in machine room.	It can be applied in rail transit
40	Research on key 5G technology and equipment for rail transit	2,400.00	415.00	415.00	Completed market research on 5G light-weighted base stations and 5G terminals, resulting in a demand research report for the products; completed demand analysis reports for the 5G private network in railway stations and Chengdu North Station; and produced an overall technical solution report.	To develop key 5G communication core equipment such as 5G light-weighted base stations, private network terminals, and private core network to form a complete set of 5G communication equipment for rail transit.	Building on public 5G technology, it researches and develops 5G-R technology and equipment tailored for China's railway private network, advancing the intelligent and green development of China's railways.	It can be applied in rail transit stations and along the rail transit line
Total	/	220,832.93	34,405.49	134,167.63	/	/	/	/

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### ***Explanation:***

For all rail transit sectors such as high-speed railway, normal-speed railway, local railway, heavy-haul railway, urban rail transit, urban (suburban) railway, maglev and special tourist line, the Company analyzed the corresponding scenarios and special demands, carried out research and development activities oriented to market targets, and developed industry-leading and advanced technologies, such as automatic unmanned train operation, train autonomous circumambulation, coordinated transportation and management for regional passenger traffic, train traffic control automation, safe computer platform, full-electronic computer interlocking control, intelligent detection, operation and maintenance of rail transportation, rail transit simulation test, turnout switch and electromagnetic shielding. It developed control systems and fundamental equipment applicable to target scenarios with complete functions and outstanding performance, such as the independent CTCS-3 train control system, the new train control system based on BeiDou Navigation Satellite System, the train control system for normal railways, the high-density automatic operation control system for ad-hoc network of heavy-haul trains, the new generation of centralized traffic control system, the intelligent passenger traffic analysis system, the integrated analysis system of Internet of Videos, the integrated video monitoring system, the train autonomous circumambulation control system, the CBTC system based on full-electronic interlocking, the intelligent light rail transit control system, the intelligent urban rail dispatching system, the intelligent diagnosis system on turnout switch, the integrated train control interlocking equipment, the full-electronic interlocking equipment, the moving block train control system based on satellite positioning, the rail breakage monitoring system of turnouts, the video AI cockpit application platform, the video AI empowerment analysis platform, the integrated information security management device, the cloud application management platform for videos, the three-dimensional real-scene video system for stations and the array computing vision system. It also conducted demonstration, opening and application in domestic and overseas markets, assisting in the market expansion of the Company in the rail transit sector.

### **5. Research and development personnel**

Unit: 0'000 Yuan Currency: RMB

#### *Basic Information*

	<b>Amount for the current period</b>	<b>Amount for the corresponding period of last year</b>
Number of research and development personnel in the Company (person)	4,309	4,274
Percentage of total research and development personnel in total personnel of the Company (%)	22.74	22.36
Total remuneration for research and development personnel	37,444.90	35,301.78
Average remuneration for research and development personnel	8.69	8.26



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### *Educational background*

<b>Composition by education</b>	<b>Number (person)</b>	<b>Percentage (%)</b>
Doctoral degree	83	1.93
Master's degree	1,794	41.63
Bachelor's degree	2,263	52.52
Junior college diploma	169	3.92
Total	4,309	100.00

### *Age structure*

<b>Range of age</b>	<b>Number (person)</b>	<b>Percentage (%)</b>
Below 35	2,232	51.80
36 to 40	950	22.05
41 to 45	599	13.90
46 to 50	303	7.03
51 to 54	135	3.13
55 to 59	90	2.09
Total	4,309	100.00

### 6. Other explanations

Applicable  Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### III. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

#### (I) Analysis of Core Competitiveness

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 China Railway, 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 most of China's high-speed railways that have been in operation; the Company occupies about 40% of the domestic market share of urban rail transit control system, participates in the design, integration, product and construction projects of rail transit control system in more than 50 cities such as Beijing, Shanghai and Shenzhen, and is the leading provider of urban rail transit control system solutions in China. The ultra-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 more than 4,800 registered patents and realized 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, automatic unmanned train operation technology, train autonomous circumambulation technology, moving block train control technology based on satellite positioning, coordinated transportation and management technology for regional passenger traffic, 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 applied in 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 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As the entity responsible for general affairs of each of the Communication and Signaling Technical Subcommittee under the National Railway Transportation Electrical Equipment and System Standardization Technical Committee (全國軌道交通電氣設備與系統標準化技術委員會通信信號分技術委員會) (in relation to national standards) and the Communication and Signaling Technical Subcommittee under the Railway Industry Electrical Equipment and System Standardization Committee (鐵路行業電氣設備與系統標準化通信信號分技術委員會) (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 signaling 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, customization 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, 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, optimized the allocation of innovation resources, and formed a leading sci-tech innovation platform and demonstration pattern, including 3 postdoctoral workstations, 4 academician workstations, 12 national and industry innovation platforms, 13 national innovation demonstrations, and more than 30 provincial and ministerial innovation platforms providing strong platform support for the realization 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, deeply participated in the speed increase of national railway for six times, and successively participated in the construction of all major domestic high-speed railway projects. 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 standardized 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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 13 modern production bases all over the country, creating a complete industrial chain in the field of rail transit control. It is the only company in the world that can provide one-stop services for the entire industrial chain from investment and financing to research and development 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, maintains continuous improvement and passes independent third-parties' certifications. All subordinate enterprises of the Company which engage in the fields of research and development 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 research and development 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.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

The Company implements the innovation-driven development strategy and accelerates the training of innovative talents through multiple channels. The Company makes good use of existing human resources, increases the training of expert-level leading talents and key researchers, facilitates the career development of scientific and technological talents, and improves the incentive and evaluation system for result transformation to stimulate the innovation and vitality of researchers. The Company improves quality, increases efficiency, and achieves upgrade and sustainable and healthy development under the support and guidance of technology innovation. The Company unswervingly takes the road of independent innovation, truly contributing to promoting corporate transformation and upgrading.

4,309 employees of the Company are engaged in technological research and development, accounting for 22.74% of the total employees, 43.56% of whom have master degree or above. The excellent talent team has laid a solid foundation for the Company to develop core technologies and maintain technical advantages.

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

Applicable  Not Applicable

## IV. DISCUSSION AND ANALYSIS ON BUSINESS OPERATIONS

In the first half of 2024, the Company took the initiative to enhance our competitiveness, made every effort to exploit the market, and continuously strengthened its leading position in operation, while considering the comprehensive internal and external development environment, further focusing on its main responsibilities and businesses, and expediting its withdrawal from municipal housing construction operations. In the first half of 2024, the aggregate value of newly-signed contracts of the Company amounted to RMB21.023 billion, representing a year-on-year decrease of 33.62%, and the total amount of newly-signed contracts in the rail transit market remained stable compared to the same period last year, with its proportion increasing to 78.11% from 53.71% in the same period last year. Among them, the value of newly-signed contracts in railway sector amounted to RMB9.89 billion, representing a year-on-year increase of 1.16%; the value of newly-signed contracts in urban transit sector amounted to RMB2.983 billion, representing a year-on-year decrease of 49.02%; the value of newly-signed contracts in overseas sector amounted to RMB3.549 billion, representing a year-on-year increase of 156.45%; the total value of newly-signed contracts for general contracting and other sectors amounted to RMB4.601 billion, representing a year-on-year decrease of 68.62%. As of the end of the first half of 2024, the Company's order in hand amounted to RMB122.387 billion.

In the railway market, in the first half of 2024, the Company undertook four key weak current system integration projects for high-speed railways such as Shanghai-Nanjing Section of Beiyanjiang High-speed Railway, Hubei Section of Hefei-Wuhan High-speed Railway, Fujian Section of Zhangzhou-Shantou High-speed Railway and Nanchang-Jiujiang High-speed Railway. Meanwhile, the Company also undertook various crucial projects, including the integration of supporting electrical on-board equipment for 350 km/h Fuxinghao EMU, weak current system integration of Lop Nur-Ruoqiang Railway, relocation and reconstruction of "Three Electric Systems" of Pearl River Section of Zhuhai-Zhaoqing High-speed Railway, relocation and reconstruction of "Three Electric Systems" of Shenzhen-Shenshan Cooperation Zone Railway, and EPC general contracting for passenger service commencement on the Yangquan-Shexian Railway, supporting the stable development of the railway market.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In the urban rail transportation market, the Company undertook 3 urban rail signal system integration projects in succession, including phase II of Kunming Metro Line 2, eastern extension of Chongqing Metro Line 6, and western extension of Shenzhen Metro Line 5 and phase II of Line 16. Additionally, the Company undertook relevant professional engineering projects such as the construction of Hefei Metro Line 7, Shenyang Metro Line 3 and Tianjin Metro Line 2, as well as design tasks for Beijing Metro Line 5, Line 10 and Line 19. However, due to a significant year-on-year decrease in the national bidding volume, the Company's scale of undertaking was notably lower compared to previous years.

In the overseas market, the Company's operational layout and enhanced capabilities further showed the results. The Company has successively undertaken significant projects, including the general contracting of construction project for the "three-electricity" system integration of Maxi Railway in Guinea, the procurement project for the signal and train operation control system of Maxi Railway in Guinea, and the supply and service procurement project for the weak current integration system of South Extension Line (Phase III) of the 10th of Ramadan Railway in Egypt, with a significant year-on-year increase in the value of newly-signed external contracts.

In the general contracting and other markets, the Company accelerated its exit from municipal housing construction operations by conducting in-depth assessments of external environmental changes and aligning them with internal development plans. At the same time, the Company focused on optimizing business structure, vigorously promoted the extension of intelligent control technology and drove its subsidiaries towards transformation and upgrading in rail transit and closely related fields, new infrastructure, new energy, and the low-altitude economy, leading to an enhancement in the quality of undertaking. In the first half of 2024, leveraging its expertise in communication, the Company undertook the high-level autonomous driving demonstration zone 3.0 dual-intelligence network project in Beijing, and expanded into rail transit-related processing services in communication information, power, automotive electronics and industrial control, while its proprietary M-series battery swap station products have begun to receive orders. The Company actively expanded into the low altitude economy sector, signing strategic cooperation agreements or reaching cooperation intentions with cities such as Nanjing, Suzhou, Hefei, Guangzhou, Chengdu, and Nan'an.

In the second half of 2024, the Company will firmly seize the favorable opportunity presented by the steady growth in railway fixed asset investments, actively enhance the undertaking of projects in relevant sectors and markets, promote the market share steadily with an increase and support the achievement of the target on growth in the railway business. In the field of urban rail transit, despite the significant pressure from the year-on-year increase in national bidding volume, the Company will focus on synchronizing efforts across the entire industry chain in design, integration, system delivery, operation and maintenance, and further intensify operational resources and development efforts to ensure industry-leading standards and effectively mitigate the risks associated with the decline in the scale of undertaking. In the field of overseas business, the Company will further benchmark against world-class enterprises, continuously enhance comprehensive capabilities, maintain a growth trend year after year, and strive to achieve new heights. In the field of general contracting and other sectors, the Company will persist in focusing on its main responsibilities and businesses, aiming to exit municipal housing construction operations within three years. Relying on its existing strong foundation and technological innovation capabilities, the Company will explore high-quality emerging sectors to create new economic growth opportunities.

**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

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CRSC closely follows the national strategic development plan for emerging industries, accelerates the cultivation and development of new quality productive forces, actively taps into the new track of low altitude economy, clarifies the development of low altitude airspace control, drone manufacturing, and service operation, and builds a “three industries and one ecology” industrial pattern for low altitude economic ecology. With the development of industries related to low altitude economy and the deepening of the strategic emerging industries of the Company, it is expected to have a positive impact on the Company’s operating performance in the future.

### V. RISK FACTORS

Applicable       Not Applicable

#### 1. Core Competitiveness Risk

The new-generation information technology is gradually being integrated with the traditional control system. The emerging technologies and the demand for new growth of railways and urban rail may lead to the upgrades of the Company’s main system equipment, and put forward new and higher requirements on the Company’s scientific and technological innovation. If research on new technologies moves slowly, the development progress of new-generation system products will be affected, which is not conducive to consolidating the Company’s leading position in innovation.

**Responsive measures:** From the perspective of the industry and the long-term development needs of the Company, the Company will focus on scientific and technological issues, emerging technologies and new needs of the industry, plan major scientific research projects, deploy strategic forces, coordinate innovation resources, strengthen the management of the research and development projects of new technologies, and enhance the allocation of resources for the research and development projects of new technologies and new products, to ensure that research and development tasks are completed as planned. The Company will also strengthen the linkage between scientific and technological research and development and market operation, enhance the transformation of scientific and technological achievements, make precise market positioning, speed up the response to scientific needs of users, and adjust the research and development strategy in a timely manner, to maintain the Company’s leading position in scientific and technological innovation, and support the sustainable, healthy and high-quality development of the Company.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 2. Operating risk

The countries (regions) where some of the overseas target projects are located are in an unstable political situation, and the target countries are less willing to invest due to the influence of financial or work priorities, and the requirements for localization are becoming more and more stringent. The nature of the industry sectors where the Company operates determines the possibility of liability compensation or government penalties arising from the design, research and development, manufacturing, installation, testing, maintenance, and sales of products or services.

**Responsive measures:** The Company will explore overseas market opportunities, strengthen the construction of management teams in overseas markets and increase investment in management resources. It will further promote the digital transformation of traditional industries, implement industrial foundation reconstruction projects and major technology and equipment research projects, strengthen digital empowerment, and optimize the upgrade and layout of industries. The Company will enhance the control of all aspects of product research and development, strengthen the standardization of production safety, intensify the supervision and inspection of the implementation of risk control measures to ensure the implementation of risk control measures. The Company will strengthen its efforts in risk management and control outside of China, continue to enhance the supervision and inspection of its subsidiaries with foreign-related businesses to further promote their ability to operate in compliance with the law outside of China, as well as increase efforts in preventing risks resulting from its overseas operations.

### 3. Financial Risk

The construction of certain railway, urban rail and infrastructure construction projects undertaken by the Company has the characteristics of long construction period, large investment amounts, lagging settlement and lagging recovery, and some contract assets or accounts receivable have long settlement and recovery periods, which may have a negative impact on current profits.

**Responsive measures:** The Company will further implement the responsibility for the control of accounts receivable, strengthen the credit evaluation of customers, conduct regular analysis and dynamic monitoring of contract assets and accounts receivable of crucial projects, consolidate incentives and constraints, adopt multiple measures, carry out comprehensive approaches and promote the recovery of funds in a regular and list-based manner.

### 4. Industry Risk

During the "14th Five-Year Plan" period, the NDRC strictly controls the debt risk incurred by local governments as a result of urban rail investment, raising the approval threshold for all urban rail transit projects, including large, medium and small carrying-capacity projects.



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

**Responsive measures:** The Company will strengthen communication with urban rail customers by leveraging the further improvement of the management layout and system, establish a leading brand image and reputation in the industry through benchmark projects and high-quality projects. At the same time, the Company will actively expand the management concepts, closely follow the urban rail construction model, give full play to the resources of the whole system, develop the whole industry chain, and adopt various methods such as joint venture, joint operation, and investment-driven, to consolidate the existing metro market and expand the market of medium and small carrying capacity such as urban express rail, thus forming a multi-point supporting operation pattern.

### 5. Macro-environmental Risk

At present, the world's political and economic situation is undergoing profound changes. Although the domestic economy is showing characteristics of rapid growth, structural optimization, and improved quality and efficiency, it still faces many challenges, and the complexity, severity, and uncertainty of the external environment have significantly increased. Enterprises face great pressure on operations, risks and hidden dangers still exist in some key areas, and domestic circulation is not smooth enough.

**Responsive measures:** The Company will further focus on its main responsibilities and businesses, steadily withdraw from the municipal housing construction business, and subsidiaries will rely on their existing qualifications to transform into areas such as rail transit, new energy, new infrastructure, and strategic emerging industries. In line with national policy guidance and considering the high-risk debt situation in multiple regions, the Company will adjust the direction of capital operation business, strictly control operational investment projects, and shift towards industrial incubation and cultivation. The Company will actively explore the markets giving play to the dominant advantage brought by favourable foreign aid and overseas expansion policies of the State, obtain accurate information about the policies and dynamic trends of target countries, speed up the pace of overseas business expansion and industrial investment, strengthen efforts in international operations, actively fit into the competitive global market.

### 6. Market Competition Risk

There are more competitors in the rail transit markets; the change in bidding rules for railway project construction and an increasing trend towards comprehensive contracting models for urban rail projects are diminishing the development space for the Company's traditional business; the Company's traditional flagship products are experiencing price squeeze, putting the Company under pressure from market competition.

**Responsive measures:** The Company will adhere to a market-and-technology-oriented management policy, strengthen the full linkage with technological innovation, stay ahead of industry peers in terms of overall competitiveness with technological development as the foundation, insist on providing customers with a good experience covering the whole life cycle of the project with efficient and quality services, and continuously enhance the brand influence. While steadily improving the existing market, the Company will further increase its efforts to explore emerging markets, actively seize market opportunities such as high-speed rail renewal and renovation, new normal-speed railway, and new urban rapid transit, plan ahead for the market layout of subway renewal and renovation, promote the extension of intelligent control technology, and accelerate the cultivation of new driving forces for the "three industries and one ecology" of low altitude economy.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### VI. MAIN OPERATIONS DURING THE REPORTING PERIOD

See “IV. DISCUSSION AND ANALYSIS ON BUSINESS OPERATIONS” in this section for further details.

#### (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	14,250,309,285.72	16,633,010,199.97	-14.33
Operating cost	10,066,850,389.49	12,482,157,364.82	-19.35
Selling expenses	361,108,406.00	343,041,168.71	5.27
Administrative expenses	955,972,333.77	970,225,656.74	-1.47
Finance costs	-79,366,383.28	-143,313,235.50	N/A
Research and development expenses	750,408,885.34	648,673,283.76	15.68
Net cash flow generated from operating activities	2,972,717,564.11	-871,102,628.48	N/A
Net cash flows generated from investing activities	-474,572,983.61	-1,501,525,382.43	N/A
Net cash flows generated from financing activities	-1,723,476,773.48	973,019,657.22	N/A

The explanation on reasons for change in revenue: The revenue decreased by 14.33% compared with last year, primarily due to the Company's focus on main task of high-quality development to accelerate the transformation and upgrading of traditional industries and prevent operational risks, resulting in the decrease in revenue from engineering projects.

The explanation on reasons for change in operating cost: The operating cost decreased by 19.35% compared with last year, primarily due to the decrease in revenue from system implementation and construction contracting, resulting in the decrease in cost.

The explanation on reasons for change in selling expenses: The selling expenses increased by 5.27% compared with last year, primarily due to the increase in labor cost.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The explanation on reasons for change in administrative expenses: The administrative expenses decreased by 1.47% compared with last year, basically the same as last year.

The explanation on reasons for changes in financial costs: The financial income during the Reporting Period was RMB79 million as compared with RMB143 million in the same period of last year, primarily due to the decrease in interest income as compared with the same period of last year.

The explanation on reasons for changes in research and development expenses: The research and development expenses increased by 15.68% as compared to last year, primarily due to the Company's continuously intensified investment in research and development for the purpose of strengthening scientific and technological innovation.

The explanation on reasons for changes in net cash flow from operating activities: The net cash flow from operating activities during the Reporting Period was net inflow of RMB2,973 million, as compared with net cash outflow of RMB871 million in the same period of last year, primarily due to the significant increase in new deposits of the Group with finance company.

The explanation on reasons for changes in net cash flow from investing activities: The net cash flow from investing activities during the Reporting Period was net outflow of RMB475 million as compared with net cash outflow of RMB1,502 million in the same period of last year, mainly due to the significant decrease in the increase of new time deposits with maturity over three months that have not been mortgaged/pledged and are not restricted from use.

The explanation on reasons for changes in net cash flow from financing activities: The net cash flow from financing activities during the Reporting Period was net outflow of RMB1,723 million as compared with net inflow of RMB973 million in the same period of last year, mainly due to the repayment of borrowings to external banks in significant amount during the Reporting Period.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

Applicable       Not Applicable

*Performance of main businesses by industry, product, region and sales model*

Unit: Yuan    Currency: RMB

By segment	Main Businesses by Industry					
	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	13,111,412,592.30	9,036,553,603.06	31.08	-2.52	-6.55	Increased by 2.97 percentage points
Equipment manufacturing	2,907,115,109.47	1,872,124,497.16	35.60	17.57	16.95	Increased by 0.34 percentage point
Design and integration	5,978,041,378.03	3,658,014,522.78	38.81	8.54	8.39	Increased by 0.09 percentage point
System implementation	4,226,256,104.80	3,506,414,583.12	17.03	-22.73	-25.30	Increased by 2.85 percentage points
Construction contracting	1,098,427,988.92	1,019,066,340.88	7.23	-64.96	-63.49	Decreased by 3.72 percentage points
Others	40,468,704.50	11,230,445.55	72.25	-16.25	-46.40	Increased by 15.61 percentage points

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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	9,035,444,824.18	6,307,949,547.97	30.19	1.88	2.03	Decreased by 0.10 percentage point
Urban transit	3,470,239,646.08	2,326,398,086.64	32.96	-13.13	-21.50	Increased by 7.15 percentage points
Overseas businesses	605,728,122.04	402,205,968.45	33.60	3.24	-23.25	Increased by 22.92 percentage points
Construction contracting	1,098,427,988.92	1,019,066,340.88	7.23	-64.96	-63.49	Decreased by 3.72 percentage points
Others	40,468,704.50	11,230,445.55	72.25	-16.25	-46.40	Increased by 15.61 percentage points

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	13,644,581,163.68	9,664,644,421.04	29.17	-14.97	-19.18	Increased by 3.69 percentage points
Other countries and regions	605,728,122.04	402,205,968.45	33.60	3.24	-23.25	Increased by 22.92 percentage points

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

By industry and terminal market:

The revenue from construction contracting during the Reporting Period decreased by 64.96% compared to the same period of last year. This was mainly due to the Company's focus on strategic development planing to withdraw from municipal housing construction business and strict efforts in controlling operation risks, resulting in a significant decrease in revenue during the Reporting Period compared to the same period of last year. The year-on-year increase in revenue from equipment manufacturing and design and integration is mainly due to the Company's continued increase in research and development investment, active promotion of digital and intelligent equipment manufacturing production line construction, efforts to improve the core competitiveness of the enterprise, and consolidation of core functions, resulting in the year-on-year increase in revenue from design and integration, and equipment manufacturing.

The revenue from urban rail decreased by 13.13% compared to the same period of last year, mainly due to the impact of insufficient orders and the decrease in the construction business volume of subway projects.

By region:

The revenue from overseas business during the Reporting Period increased by 3.24% compared to the same period of last year, mainly due to the Company's continued progress in overseas projects such as the Hungary-Serbia railway (Novi Sad-Subotica-Border with Hungary Section) project, the Mexican project, and the Thailand double-track project, resulting in an increase in revenue recognition compared to the same period of last year. In addition, the gross profit margin of overseas business during the Reporting Period increased significantly year-on-year, mainly due to the higher gross profit margins of the Hungary section of the Hungary-Serbian Railway signaling system integration project, the Hong Kong Airport Line ATS renovation project, the Guadalajara Line 4 project in Mexico among the overseas projects contracted by the Company, as well as the release of profits from the liquidation of the Hungary-Serbian section, which was in the winding-up stage.

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

Applicable  Not Applicable

### (III) Analysis of assets and liabilities

Applicable  Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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	23,759,388,945.42	20.04	22,574,043,702.19	18.97	5.25
Bills receivable	688,684,621.87	0.58	1,058,627,238.40	0.89	-34.95
Accounts receivable	22,871,138,096.78	19.29	22,875,547,606.09	19.22	-0.02
Receivables for financing	644,586,690.30	0.54	972,719,326.28	0.82	-33.73
Inventories	3,636,853,721.27	3.07	3,206,183,424.85	2.69	13.43
Contract assets	37,019,141,802.48	31.23	38,228,739,616.63	32.13	-3.16
Construction in progress	522,452,059.85	0.44	400,246,410.75	0.34	30.53
Short-term borrowings	635,200,885.02	0.54	2,451,633,147.05	2.06	-74.09
Accounts payable	44,846,916,917.65	37.83	49,669,506,699.81	41.74	-9.71
Customers deposits and deposits from banks and other financial institutions	5,060,575,156.65	4.27	138,046,438.06	0.12	3,565.85
Other payables	3,307,156,823.94	2.79	1,735,520,570.87	1.46	90.56
Deferred tax liabilities	35,655,699.62	0.03	55,203,436.19	0.05	-35.41

#### Other explanations

The decrease in bills receivable/receivables for financing was mainly due to the decrease in the receipt of acceptance bills and the acceptance of bills at the beginning of the period upon maturity.

The increase in inventories was mainly due to the fact that the Company increased raw material reserves based on the project schedule arrangement, resulting in the increase in inventories.

The increase in construction in progress was mainly due to the continuous increase in the investment in the Science and Technology Mansion and the digital and intelligent transformation project of the independent research and development base for the basic equipment of the rail transit train control system.

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The decrease in short-term borrowings was mainly due to the repayment of loans of RMB2 billion by the Company during the Reporting Period.

The increase in customers' deposits and deposits from banks and other financial institutions was mainly due to the increase in new deposits of the CRSC Group with finance company during the Reporting Period.

The increase in other payables was mainly due to the unpaid dividends distributed to shareholders.

The decrease in deferred tax liabilities was mainly due to the increase in the offset amount between deferred tax assets and liabilities.

### 2. Information of overseas assets

Applicable  Not Applicable

*Explanation on the high proportion 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
Cash and bank balances	449,000,944.78
Bills receivable	235,632,744.01
Receivables for financing	280,000.00
Accounts receivable	549,118,710.33
Other non-current assets	<u>5,069,345,188.53</u>
Total	<u>6,303,377,587.65</u>

### 4. Other explanations

Applicable  Not Applicable



## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (IV) Analysis of investment

#### Overall analysis of investment in external equities

Applicable       Not Applicable

As at the end of the Reporting Period, the long-term equity investment of the Company was RMB1,621 million, representing an increase of RMB89 million, or 5.81%, as compared to the beginning of the year. For details, please refer to "VII. Note (XVII) to Items in the Consolidated Financial Statements" of Section X Financial Report in this report.

#### 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
Receivables for financing	972,719,326.28	-	-	-	-	-	-328,132,635.98	644,586,690.30
Other equity instrument investments	1,223,290,285.94	-	-	-	-	-	-	1,223,290,285.94
<b>Total</b>	<b>2,196,009,612.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-328,132,635.98</b>	<b>1,867,876,976.24</b>

#### Securities investment

Applicable       Not Applicable

#### Derivatives investment

Applicable       Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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

For details, please refer to "VII. Note (XVII) Long-term equity investments to Items in the Consolidated Financial Statements" and "X. Interests in Other Entities" of Section X Financial Report in this report.

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

Applicable  Not Applicable

## SECTION III MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### VII. 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. As of 30 June 2024, a total of RMB8,536 million of proceeds raised from H shares have been used, of which 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, the Company convened the general meeting and considered and approved the Resolution on Change in the Use of Proceeds Raised from H Shares, according to which the Company intends to change the portion of the proceeds of RMB1,713 million allocated for general domestic and overseas acquisition to general domestic and overseas purposes (replenishing working capital)). The Company confirms that, apart from RMB1,713 million allocated for general domestic and overseas acquisition, the usage plan of the aforesaid proceeds is consistent with the use of proceeds as disclosed in the prospectus.

Apart from the aforesaid use of funds, as of 30 June 2024, the Company's remaining proceeds raised from H shares amounting to RMB568 million have not been used (PPP projects related to railway transportation), and are expected to be used up in the coming two years. The intended usage of the aforesaid proceeds is consistent with the use of proceeds as disclosed in the prospectus.

#### 2. Employees

As of 30 June 2024, the Company had a total of 18,947 full-time employees, including 18,831 employees in 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, and relevant information is shown in "XV. EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD" under Section V of the 2023 annual report of the Company.

## SECTION IV CORPORATE GOVERNANCE

### I. BRIEF INTRODUCTION TO SHAREHOLDER'S GENERAL MEETINGS

Name of meeting	Time of meeting	Index of website designated for publication of the resolutions	Disclosure date of the publication of the resolutions	Resolutions
2023 Annual General Meeting	13 June 2024	www.hkexnews.hk www.sse.com.cn	13 June 2024	<ol style="list-style-type: none"><li>1. Resolution on the Work Report of the Board of Directors for 2023 of China Railway Signal &amp; Communication Corporation Limited;</li><li>2. Resolution on the Work Report of the Supervisory Committee for 2023 of China Railway Signal &amp; Communication Corporation Limited;</li><li>3. Resolution on the 2023 Annual Report of China Railway Signal &amp; Communication Corporation Limited;</li><li>4. Resolution on the Final Account Report for 2023 of China Railway Signal &amp; Communication Corporation Limited;</li><li>5. Resolution on the Profits Distribution Plan for 2023 of China Railway Signal &amp; Communication Corporation Limited;</li><li>6. Resolution on Appointment of Auditor for 2024;</li><li>7. Resolution on Remunerations for Directors and Supervisors of the Company in 2023;</li><li>8. Resolution on Amendments to the Work Rules of the Independent Non-executive Directors;</li><li>9. Resolution on General Authorization for the Issuance of Debt Financing Instruments.</li></ol>

#### Shareholders of preference shares with restored voting rights request convening extraordinary general meetings

Applicable  Not Applicable

#### Explanation on the general meetings

Applicable  Not Applicable

On 13 June 2024, the Company held the 2023 Annual General Meeting by way of a combination of on-site and online voting. For details, please refer to the Announcement on the Poll Results of 2023 Annual General Meeting and Payment of Cash Dividend of China Railway Signal & Communication Corporation Limited dated 13 June 2024.

## SECTION IV CORPORATE GOVERNANCE (CONTINUED)

### II. CHANGES IN DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS OF THE COMPANY

Applicable  Not Applicable

Name	Position held	Information on the change
LOU Qiliang	Chairman of the Board	Election
	Chairman of the Board, Executive	
ZHOU Zhiliang	Director	Resignation
GUO Yonghong	Non-executive Director	Resignation

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

Applicable  Not Applicable

On 18 January 2024, Mr. ZHOU Zhiliang tendered his resignation as the chairman of the Board, an executive Director, the chairman of the Strategy and Investment Committee of the Board, and the chairman of the Nomination Committee of the Board due to reaching the statutory retirement age. On the same day, Mr. GUO Yonghong tendered his resignation as a non-executive Director, a member of the Audit and Risk Management Committee of the Board and a member of the Quality and Safety Committee of the Board. These resignations took effect from 18 January 2024.

On 21 February 2024, the Board resolved to elect Mr. LOU Qiliang as the chairman of the fourth session of the Board of the Company. On the same day, the Board resolved to appoint Mr. LOU Qiliang as the chairman of the Strategy and Investment Committee of the Board, Mr. YAO Guiqing as the chairman of the Nomination Committee of the Board, and Mr. ZHANG Quan as a member of the Nomination Committee of the Board.

#### 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.

## SECTION IV CORPORATE GOVERNANCE (CONTINUED)

### III. 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

### IV. 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

## SECTION IV CORPORATE GOVERNANCE (CONTINUED)

### V. 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 (the “**Corporate Governance Code**”) set out in Appendix C1 to the Listing Rules, except for the deviations from the code provisions as described below.

#### Code Provision C.2.1

The roles of chairman and chief executive should be separate and should not be performed by the same individual in accordance with the code provision C.2.1 set out in the Corporate Governance Code.

On 24 August 2023, Mr. XU Zongxiang tendered his resignation as the president of the Company due to reaching the statutory retirement age. On 18 January 2024, Mr. ZHOU Zhiliang tendered his resignation as the chairman of the Board of the Company and other roles due to reaching the statutory retirement age. Mr. LOU Qiliang was appointed as the president of the Company on 15 September 2023 and was elected by the Board as the chairman of the fourth session of the Board of the Company on 21 February 2024. Accordingly, the Company has deviated from code provision C.2.1 of the Corporate Governance Code since 21 February 2024.

Nevertheless, given that the Board comprises experienced and high-calibre individuals and has a sufficient number of independent non-executive Directors, the Board is of the view that there is an adequate balance of the power and authority through the operation of the Board, such that the balance of power and authority is ensured by the Board and the management despite the roles of the chairman and the president being assumed by Mr. LOU Qiliang. Under such circumstances, the deviation from code provision C.2.1 of the Corporate Governance Code is considered appropriate. The Board will continue to review and consider the separation of the roles of the chairman of the Board and the president of the Company as and when appropriate and suitable having regard to the state of the Group as a whole.

#### Rule 3.21 of the Listing Rules

Rule 3.21 of the Listing Rules provides, among other things, that the audit committee shall consist of at least three members. Upon the resignation of Mr. GUO Yonghong as a non-executive Director on 18 January 2024, the Audit and Risk Management Committee of the Board currently includes two independent non-executive Directors, which does not currently comply with the requirement of Rule 3.21 of the Listing Rules. To comply with the Listing Rules and the working rules of the relevant special committees under the Board, the Company will use its best endeavours to appoint suitable candidate(s) as soon as possible.

## **SECTION IV CORPORATE GOVERNANCE (CONTINUED)**

### **VI. REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the Reporting Period, neither the Company nor its subsidiaries repurchase, sell or redeem 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.

### **VII. 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) and Mr. YAO Cho Fai Andrew (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 2024.

### **VIII. SUBSEQUENT EVENTS**

Save as disclosed in this report, from 30 June 2024 to the date of this report, the Company had no other significant subsequent events.



## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

### I. ENVIRONMENTAL INFORMATION

Whether mechanisms related to environmental protection have been established Yes  
Amount of investment in environmental protection during the Reporting Period (unit: RMB0'000) 727.82

**(I) Explanation on environmental protection of companies and their significant subsidiaries classified as the key pollutant discharging units announced by the environmental protection department**

Applicable  Not applicable

**(II) Explanation on environmental protection of companies other than those classified as the key pollutant discharging units**

Applicable  Not applicable

**1. Administrative punishment on environmental issues**

Applicable  Not applicable

**2. Other environmental information disclosed with reference to the key pollutant discharging units**

Applicable  Not applicable

Pollutant discharging information: CRSC is an environmentally friendly "general class" enterprise with "low pollution emission." Pollutant discharge mainly includes air pollutants, water pollutants and hazardous wastes. Air pollution emissions mainly include a small amount of nitrogen oxide and sulfur dioxide produced by boiler heating in the factory, and a small amount of volatile organic compounds (VOCS) in the production process; water pollution emissions mainly include ammonia nitrogen and chemical oxygen demand (COD); the hazardous waste is HW08, HW09, HW13 and HW49, mainly including the organic solvents used in the mechanical processing, organic solvents produced in the process of electronic product assembly and cable extrusion, and emulsions and waste oils generated during equipment maintenance. In the first half of 2024, the air pollutant sulfur dioxide emission was 0.02 ton, the nitrogen oxide emission was 0.44 ton, the COD emission in sewage was 4.23 tons, the ammonia nitrogen emission was 0.23 ton, and the hazardous waste treatment capacity was 68.42 tons, maintaining a reasonable level. The discharge method of wastewater is mainly based on recycling, and unified discharge after complying with the standard treatment. The discharge method of VOCS and exhaust boiler is based on organized emission after adsorption treatment. All hazardous wastes are entrusted to professional enterprises with hazardous waste operation license, road transport of dangerous cargo license and other qualifications to handle. Enterprises involved in fixed pollutants have completed the registration of the fixed pollutants source discharge. The discharge of major pollutants meets the discharge standards stipulated by the state and the place where they operate.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES (CONTINUED)

Construction and operation of pollution prevention and control facilities: CRSC has effectively treated the discharge outlets of pollution sources produced in all links of the production process, and the pollution control equipment is running well. For the links involved in the production of VOCS by cable processing, mechanical product processing and electronic product assembly in industrial enterprises, devices such as flue gas electronic purification systems, activated carbon purification systems, low-temperature plasma and UV photolysis purification systems are equipped. The additional and upgraded enterprise-level sewage treatment stations resulted in a substantial increase in sewage treatment capacity and strong monitoring of water pollution discharge indicators. Hazardous wastes shall be stored and managed strictly in accordance with regulations. In the process of transfer and disposal of hazardous wastes, the joint bills of hazardous wastes transfer shall be filled out in accordance with the provisions of the Administrative Measures on the Joint Bills for the Transfer of Hazardous Wastes (《危險廢物轉移聯單管理辦法》), and qualified units shall be entrusted to carry out harmless and safe disposal according to law.

Environmental impact assessment and other administrative licenses in relation to environmental protection of construction projects: In the implementation of construction projects, CRSC implements the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) and the “three simultaneous” system of simultaneous design, construction and operation of environmental protection facilities and main projects.

Emergency plan for contingent environmental incidents: CRSC formulated the Measures for Reporting, Investigation and Handling of Environmental Emergencies (《突發環境事件報告和調查處理辦法》), issued the Safe Production Contingency Management Measures (《安全生產應急管理辦法》) and has set up emergency organizations, defined emergency responsibilities at all levels, refined the classification of events, formulated emergency plans and conducted practical exercises, carried out relevant safety education and training, strengthened safety awareness and effectively improved the level of response to emergency. During the June 5th World Environment Day, CRSC Xi'an, a subsidiary of CRSC Xi'an Industry Group and CRSC Tianjin Railway Signal Co., Ltd., organized relevant workshops to carry out emergency drills for cleaning liquid leakage to further improve its employees' emergency response capabilities for environmental emergencies.

Environmental self-monitoring program: CRSC strengthens the supervision and inspection of relevant enterprises' pollution sources. In accordance with the pollution discharge permit requirements, each of relevant enterprises has formulated pollution discharge outlets monitoring and management systems and third-party testing plans according to the actual conditions of the enterprise. In order to improve the monitoring effects, Enterprises such as Jiaozuo Railway Cable Co., Ltd., a subsidiary of CRSC Cables have installed on-line monitoring system for wastewater and exhaust gas at the key pollutant discharge outlets as required, realizing 24-hour monitoring and warning of pollutant discharge and establishing a sound pollutant emission monitoring system.

During the Reporting Period, the Company has not received any administrative penalties due to environmental issues.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES (CONTINUED)

### 3. *Reasons for non-disclosure of other environmental information*

Applicable  Not applicable

#### (III) **Explanation of the follow-up progress of or changes in the disclosure of environmental information during the Reporting Period**

Applicable  Not applicable

#### (IV) **Relevant information beneficial to ecological protection, pollution prevention and fulfillment of environmental responsibilities**

Applicable  Not applicable

CRSC deeply applies Xi Jinping's thought on ecological civilization, fully implements the new development concept, vigorously develops modernization with harmony between man and Nature, adheres to ecological priority and green development and practices the green development concept. Focusing on protecting the environment and saving resources, CRSC follows the relevant laws and regulations of the state on ecological and environmental protection, implements pollutant reduction and environmental governance simultaneously and actively fulfills its social responsibility. None of subsidiaries under CRSC is a key pollutant discharging unit.

CRSC Xi'an Industry Group, an equipment manufacturing subsidiary of the Company, has completed the installation of ventilation facilities in production processes with exhaust gas and ensured that each discharge outlet is equipped with activated carbon adsorption treatment devices or photo catalyzing devices. It equipped spray towers and activated carbon adsorption devices in the cleaning process with alcohol to ensure the standard emission of waste gas. It completed the VOCs treatment in the electronic equipment workshop and the penetration and flaw detection working areas of the Inspection Department. The discharge method of VOCs is based on organized emission after treatment to meet the requirements on environmental protection.

CRSC Cables, an equipment manufacturing subsidiary of the Company, strengthened the treatment of volatile organic compounds (VOCs). Jiaozuo Railway Cable Co., Ltd. renovated the exhaust gas collection devices of five extruders of communication cable workshop and one extruder of power cable workshop and installed a gas collecting room, which reduced unorganized emissions and improved the efficiency of collection and treatment. CRSC Tianshui Cable installed remote alarming devices on the dust collection bags of 2 VOCs treatment equipment under use to conduct real-time monitoring on the operation of equipment and ensure the effective operation of equipment and facilities.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES (CONTINUED)

All engineering construction enterprises strengthened the protection of on-site ecology and environment. For municipal buildings under construction, they are required to implement the "eight hundred percent" requirement. The construction sites are equipped with facilities and equipment such as enclosure, atomization and spraying facilities, fog cannon machines, sprinklers, dust and noise monitoring equipment, pile up as required and conduct regular repair and maintenance to ensure their normal operation. They shall harden roads at construction sites, wash vehicles and ensure coverage in the transportation process. They shall reasonably arrange the progress of projects and control construction noises; carry out the comprehensive utilization and disposal of construction wastes, and the project site of CRSC Electrochemical Science and Technology Mansion was rated as a "standardized construction site for dust control"; and conduct the restoration of ecology and vegetation as required. Engineering construction companies such as CRSC Electrification Bureau Group fully considered energy-saving and emission reduction measures in the formulation of construction plans and adopted plans with high efficiency and low energy consumption. They accurately calculate the earth volume to be dug and filled before construction, select the nearest borrow area with the construction site on the basis of meeting the project quality and reduce the fuel consumption of vehicles and machinery and the emission of greenhouse gases. They adopt CAD and other engineering software in drawing and simulation and conduct design and comparison on templates and wood materials to reduce waste materials and remnants to the maximum extent. They reasonably calculate and prepare materials and conduct the recycling and reuse of them.

CRSCD, CRSC Communication & Information Group, CASCO Signal Ltd., design and research and development integration subsidiaries of the Company, continued to promote the research and development of environmentally friendly products, proactively promoted the energy efficiency of digital empowerment laboratories, reduced energy consumption, strengthened the resource and energy consumption management of offices, vehicles and other resources, and reduced the emission of pollutants.

All subsidiaries under CRSC carefully carried out basic management of environmental protection, implemented ecological and environmental protection management system, dynamically managed relevant ledgers and guaranteed the normal operation of environmental protection equipment and facilities. They regularly conducted inspections on ecological and environmental protection and completed the rectification of problems identified in a timely manner. They transferred and disposed hazardous wastes according to regulations and promoted the orderly development of the ecological and environmental protection of enterprises.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES (CONTINUED)

### (V) Measures adopted for reducing its carbon emission during the Reporting Period and the effects thereof

Adopted carbon reduction measures or not

Yes

Specific explanation

Applicable  Not applicable

CRSC conscientiously implemented the Opinions of CPC Central Committee and State Council on the Complete and Accurate Implementation of the New Development Philosophy to Work Well on Carbon Peak and Carbon Neutrality (《中共中央國務院關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》), the Notice of State Council on Issuing the Action Plan on Carbon Peak Before 2030 (《國務院關於印發2030年前碳達峰行動方案的通知》) and SASAC's Guidance on Promoting Central Enterprises' High-quality Development and Working Well on Carbon Peak and Carbon Neutrality (《關於推進中央企業高質量發展做好碳達峰碳中和工作的指導意見》), formulated the Work Plan for Implementation of Carbon Peak (《落實碳達峰行動方案》) and all subsidiaries have formulated action plans on "carbon peak" and actively organized the implementation. CRSC sped up in structural adjustment, upgrading and renovation. With the focus on green and low-carbon transformation and development, CRSC developed low-carbon, clean and efficient energy, accelerated the demonstration, application and promotion of new energy-saving and low-carbon technologies, processes and products, and vigorously implemented green manufacturing and green construction.

1. Promoting green and low-carbon energy transformation and energy system adjustment. The rooftop distributed photovoltaic power generation project of CRSC Xi'an, a subsidiary of CRSC Xi'an Industry Group, was formally connected to the grid and put into operation on 28 April 2024, and as of the end of June, a total of 661,600 kWh had been generated, with electricity tariffs of approximately RMB130,000 saved and carbon dioxide emissions of approximately 324 tons reduced. The photovoltaic power generation project of CRSC Tianjin Railway Signal Co., Ltd. was put into operation in April 2024, and as of the end of June, a total of 223,200 kWh had been generated, with costs saved of approximately RMB49,000. In the first half of 2024, the Company purchased 300,200 kWh of green power and generated 223,200 kWh of photovoltaic power, using a total of 523,400 kWh of clean energy, which was equivalent to 64.33 tons of standard coal and reduced carbon dioxide emissions by 298.49 tons.

While accelerating the construction of its own clean energy photovoltaic projects, the related engineering construction enterprises, which are subsidiaries of CRSC, are actively participating in the construction of local photovoltaic projects. The installed capacity of the Huaping County distributed rooftop photovoltaic development project undertaken by CRSC Construction Group is 293.26MWp, which is expected to reduce carbon dioxide emissions by 310,770 tons of equivalent per annum. The four projects contracted by CRSC Engineering Bureau Group Urban Construction Engineering Co., Ltd., namely 20MW distributed photovoltaic power generation project in Lingqiu County, Shanxi Province, 170,000 kilowatts of roof distributed photovoltaic power generation project in Jinyuan District, Taiyuan City, 400,000 kilowatts of roof distributed photovoltaic power generation project in Jiancaoping District, Qingxu County, Xiaodian District, Taiyuan City, and the "solar energy" + "coal-to-electricity" clean heating projects in Shuozhou City, with a total capacity of 590MW, are expected to reduce carbon dioxide emissions by 708,000 tons of equivalent per annum.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES (CONTINUED)

2. Promoting green manufacturing and green construction. CRSC advanced high-quality development through high-end, intelligent and green transformation, and actively promoted green manufacturing and green construction. The BRSC of CRSCD actively carried out the establishment of green credit systems and obtained the re-evaluation certificate on "Four-Star Green Credit Enterprise" in June 2024. CRSC carried out appraisal on green construction of construction projects, and endeavored to improve the green and low-carbon development of construction; sped up the building of smart construction sites and improved the coverage of BIM technology to achieve refined and green construction. It comprehensively applied green construction processes and green and low-carbon building materials, advanced the reduction and recycling of building materials and facilitated the scaled development of low-carbon buildings with extra low and near-zero energy consumption. Two projects of Institute of construction design of Changsha of CRSC Construction Group, "Jihua·Urban Healthcare And Senior Care (《際華·城市康養》)" and "Loudi No.2 Social Welfare Institution Project", were awarded the Bronze Prize in the "2023 Xinhe Cup - The 4th Hunan Province Green Building Design Competition (2023年信和杯·第四屆湖南省綠色建築設計競賽)".
3. Innovating green and low-carbon technology and empowering laboratories with digital technology. CASCO Signal Ltd. made a breakthrough in "Tram Autonomous Running Control (Qiji TACS) based on train-to-train communication". TACS realized autonomous resource management and active isolation protection with "train-ground interlocking" and "train-to-train communication", which makes the station facilities reduced by 15% in comparison with traditional CBTC, the land resources occupation of the parking train inspection line reduced by approximately 1,500 square meters, the whole-life cycle maintenance cost reduced by 30%, and the carbon emission index per unit kilometer of rail transportation reduced by more than 18%. The interconnection and interoperability of CASCO laboratory has gained practical results, as of 30 June 2024, it has served projects such as Beijing metro line 3 and Xi'an metro line 15, realizing off-site reuse of trackside and on-board equipment, and saving fixed asset investment of RMB5 million in aggregate.

The intelligent management system of the City Traffic Company laboratory is put into use. Adopting software control to realize the timed automatic shutdown of key energy-consuming equipments such as workstations and industrial control machines in the laboratory, remote monitoring and querying of offline status, system storage and CPU usage, etc.; formulate different linkage strategies according to the management needs of the laboratory and different application scenarios, so that the equipment management can be remotely operated and monitored through the unified digital platform, which further reduces the idling energy consumption, and effectively realizes the intelligent, digital and centralized management of laboratory equipments in conjunction with the intelligent gateway.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES (CONTINUED)

4. Boosting efforts in energy-saving renovation and improving the energy use efficiency. Jiaozuo Railway Cable Co., Ltd. and CRSC Tianshui Cable, subsidiaries of CRSC, installed reactive power compensation devices in the low-voltage power distribution room, and timely tracked the room's energy loading situation, switched on and off capacitor compensation in a timely manner, and maintained the hourly power factor between 0.96-0.99, to improve power utilization. CRSC Tianshui Cable invested RMB48,500 to replace the oil and gas separator and pipeline filter of #1 screw-type air compressor, and repaired the faulty defects of the air compressor station, so that the power consumption of the air compressor station equipment dropped from 56,000-63,000 kWh/month before the repair to 45,000 kWh/month, which greatly reduced the energy consumption of the air compressor station and minimized the carbon emissions.
5. Reinforcing ecological carbon sinks and project carbon sinks. CRSC fully displayed the advantages of construction contracting under the strategy of "six cores, one body and two wings", participated in key ecological protection and restoration projects, afforestation actions as well as returning farmland to forest and grassland, strengthened the protection of forest and grassland resources, participated in comprehensive treatment of desertification, rocky desertification, water and soil erosion as well as local farmland development and ecological protection and restoration projects, implemented the lining and dry building of drainage channels, the building of slope protection at banks, soil improvement (deep ploughing with machinery) and the construction of gravel and concrete field roads to enhance ecological carbon sinks. CRSC Construction Group has participated in the construction of five green ecological projects, including the EPC general project of the sewage interception system emergency protection project in the Haixi area of Dali City, the ecological restoration and comprehensive environmental improvement project of the Tuojiang River Basin in Fushun County, the riverside ecological embankment project in the south of Ziyang City (Phase I), the comprehensive environmental improvement project of the municipal trunk roads and the surrounding areas in the Linkong Industrial Park in Dianzhong New Area and the Changshui Hangcheng Area (Phase I), and the engineering construction project of the sewage treatment center (Phase I) of the new material industrial park in Tai'an Hi-tech Zone. After the completion of the ecological restoration and comprehensive environmental improvement project of the Tuojiang River Basin in Fushun County, it will effectively promote the ecological restoration of the Tuojiang River Basin, build a solid ecological security barrier in the upper reaches of the Yangtze River, contribute the strength of CRSC to ecological and environmental protection, and fully realize the commitment of the central enterprise.

CRSC actively organized publicity activities on the Environment Day on 5 June 2024, the week for national publicity of energy conservation and the National Low-carbon Day in the whole system. All enterprises gave full play to the leading role of enterprises, shifted the focus of the activities to the production site and organized various interesting activities around a theme with edutainment and interactions. All enterprises widely publicized the low-carbon concept and relevant knowledge through the Internet, WeChat official accounts, display boards, banners, electronic screens and other forms, with over 37,390 participants, which greatly improved the environmental awareness of all employees. It promoted the development of green and low-carbon production modes and lifestyles and contributed the strength of a central enterprise in developing modernization with harmony between man and nature.

## SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES (CONTINUED)

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

Applicable  Not applicable

During the Reporting Period, CRSC solidly carried out the work of poverty alleviation and village revitalization, promoted the CRSC Group to invest RMB5 million in free assistance funds for Sheqi County, introduced free assistance funds of RMB50,000 for Sheqi County, invested RMB52,900 in paid assistance funds, and introduced paid assistance funds of RMB3 million; trained 306 primary cadres, 112 leaders in rural revitalization, and more than 300 professional technicians; purchased RMB2.095 million of agricultural products in impoverished areas, and assisted in the sale of various kinds of agricultural products with RMB10.5 million in Sheqi County; invested RMB180,000 in medical assistance, and invested RMB100,000 in cultural assistance. The leading group of CRSC's targeted assistance work held four special meetings to study the progress of annual works and ensure that the annual tasks and goals were pushed forward in a stable and orderly manner according to the established direction. CRSC actively expanded the consumption channels of agricultural products in Sheqi County. Relying on the consumption assistance e-commerce platform, it actively participated in special activities such as the central-enterprise consumption assistance to welcome the Spring Festival. It has also participated in the central-enterprise joint assistance exhibition activity twice, effectively promoting the products of county-owned merchants to "go global".



## SECTION VI SIGNIFICANT EVENTS

### I. THE PERFORMANCE OF UNDERTAKINGS

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

Applicable  Not applicable

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term 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 explain the reasons for the failure in 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	-	-

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time 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 in the next step
Undertakings associated with the initial public offering	Noncompetition 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 temporary suspension of trading of CRSC's stock for any reason)	Yes	-	-

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance undertakings	Term of undertakings	Whether or not timely and strictly performed	If the undertaking performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
			<p><b>Contents of undertakings</b></p> <p>(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, license 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).</p>						

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time 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 in the next step
Undertakings associated with the initial public offering	Related Party Transactions	CRSC Group	<p><b>Contents of undertakings</b></p> <p>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 minimize 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 fulfill 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 favorable 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 above-mentioned undertakings. (5) The above-mentioned undertakings remain effective when CRSC Group has the control right over CRSC and cannot be changed or cancelled.</p>	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		

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time 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 in the next step
Undertakings associated with the initial public offering	Others	CRSC	<p><b>Contents of undertakings</b></p> <p>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) 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) 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; 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) 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) 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.</p>	Time of undertakings: 15 April 2019	No	Long-term effective	Yes		

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance undertakings	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 in the next step
Undertakings associated with the initial public offering	Others	CRSC Group	<p>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 fulfill 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) 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) 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; 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) 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.</p>	Time of undertakings: 15 April 2019	No	Long-term effective	Yes		

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time 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 in the next step
Undertakings associated with the initial public offering	Others	The Company's Directors, supervisors and senior management	<b>Contents of undertakings</b> 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) 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. 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) 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) 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.	Time of undertakings: 15 April 2019	No	Long-term effective	Yes		

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time 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 in the next step
Other undertakings	Noncompetition undertaking	CRSC Group	<p><b>Contents of undertakings</b></p> <p>On 20 July 2015, CRSC Group issued to the Company 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.</p>	<p>Time of undertakings: 20 July 2015</p>	Yes	<p>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)</p>	Yes		
Other undertakings	Others	CRSC	<p>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.</p>	<p>Time of undertakings: 28 July 2015</p>	Yes	<p>Term: long-term effective</p>			



## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### 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, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

Applicable  Not applicable

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### 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

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

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### (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

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### (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		Closing balance
					Total deposited amount during the period	Total withdrawal amount during the period	
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	8,600,000,000.00	0.35%-1.65%	137,902,594.74	5,248,277,038.75	326,357,200.53	5,059,822,432.96
Total	/	/	/	137,902,594.74	5,248,277,038.75	326,357,200.53	5,059,822,432.96

#### 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		Closing balance
					Total loan amount during the period	Total repayment amount during the period	
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	200,000,000.00	-	-	-	-	-

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### 3. Credit or other financial business

Applicable  Not applicable

Unit: Yuan    Currency: RMB

Related party	Related party relationship	Type of business	Actual amount	
			Total 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.)	15,000,000.00	0.00

### 4. Other explanation

Applicable  Not applicable

### (VI) Other material related party transactions

Applicable  Not applicable

### (VII) Others

Applicable  Not applicable

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### 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)

Guarantor	Relationship between guarantor and the Company	Secured party amount	Guaranteed execution date	Commencement date	Expiry date	Type of guarantee	Principal debt (if any)	Collateral	Whether the guarantee has been fulfilled	Overdue amount	Overdue	Counter guarantee	Connected relationship	Guarantee provided to the related parties
-----------	--	----------------------	---------------------------	-------------------	-------------	-------------------	-------------------------	------------	--	----------------	---------	-------------------	------------------------	---

Total guarantee incurred during the Reporting Period (excluding those provided to subsidiaries) -

Total balance of guarantee as at the end of the Reporting Period(A) (excluding those provided to subsidiaries) -

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantor	Relationship between guarantor and the Company	Secured party amount	Guaranteed amount	Commencement date	Expiry date	Type of guarantee	Whether the guarantee has been fulfilled	Overdue	Overdue amount	Counter guarantee available
-----------	--	----------------------	-------------------	-------------------	-------------	-------------------	--	---------	----------------	-----------------------------

Total guarantee to its subsidiaries incurred during the Reporting Period 178,479,968.68

Total balance of guarantee to subsidiaries as at the end of the Reporting Period (B) 1,985,415,131.24

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### Aggregate guarantee of the Company (including those provided to subsidiaries)

Aggregate guarantee (A+B)	1,985,415,131.24
Percentage of aggregate guarantee to net assets of the Company (%)	4.26
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)	905,149,057.92
Excess amount of aggregate guarantee over 50% of net assets (E)	–
Aggregate amount of the above three categories (C+D+E)	905,149,057.92
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/equity attributable to owners of the parent company. As at 30 June 2024, the balance of guarantee amounted to RMB1,985 million, accounting for 4.26% of the Company's net assets, of which, the balance of guarantees for wholly-owned subsidiaries was RMB1,985 million; the balance of guarantees for controlling subsidiaries was RMB0. The Company did not provide any guarantees for any of its controlling shareholders, actual controllers or related parties. As at 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 RMB905 million.

### (III) Other material contracts

Applicable  Not applicable

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### 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 after deduction of issuance Expenses (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)	Of which:		Process of accumulated investment out of over subscription proceeds as of the end of the Reporting Period (%) (7)	Proportion of the investment amount for the year (%) (9)=(8)/(1)	Total investment amount for the year (8)	Total proceeds with change in purposes
							accumulated investment amount out of over subscription proceeds as of the end of the Reporting Period (%) (5)	Process of accumulated investment out of over subscription proceeds as of the end of the Reporting Period (%) (6)				
IPO of shares	16 July 2019	10,530,000,000	10,354,342,373.23	10,354,342,373.23	-	5,762,253,287.65	-	55.65	-	19,600,608.00	-	-
Total	/	10,530,000,000	10,354,342,373.23	10,354,342,373.23	-	5,762,253,287.65	-	55.65	-	19,600,608.00	-	-



## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### (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 the investment prospectus or offering memorandum involved change is	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	Whether feasibility of project changes significantly, if yes, please specify	
IPO of shares	Advanced and intelligent technology research and development projects	R&D	Yes	460,000	-	282,970	57.17	-	No	No	Despite external factors causing a shorter-than-anticipated timeline, the Project's implementation conditions and feasibility remain largely unchanged. The Company is committed to actively advancing its execution.	Not applicable	Completed the pilot application of regional coordinative transportation service system in Chongqing; commenced the operation of ground equipment of ETCS train control system based on baseline 3 in Beograd-Sava Pazova section of Hungary-Serbia Railway; commenced the application of the railway comprehensive dispatching information system in Baoshen line and Shenshuo line of Shenhua Railway; completed the pilot application of the complete set of moving blocking system based on BeiDou Navigation Satellite System (BeiDou Navigation Satellite System) in Jingbian-Shenmu Railway and the application in the entire line is under way; completed the on-site test of the integrated train control interlocking equipment and commenced its operation in Heiliao-Ruqiang Railway; commenced the operation of the CBTC system based on full electronic interlock system in the extension project of Changchun Subway Line 3 and Changsha Subway Line 6; commenced the operation of intelligent light rail transit control system in Ferghana Maglev; commenced the operation of the Train Autonomous Circumambulate System (TACS) of urban rail trains in Shenzhen Metro Line 20, and static commissioning in Shanghai Metro Lines 3 and 4;	-

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

Source of proceeds	Project name	Nature of project	Whether the project in the prospectus is of offering memorandum involved	Total investment amount of proceeds (1)	Amount invested in the year	Accumulated investment amount out 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	Whether investment process is in line with plan process	Specific reason for investment not achieved as planned	Efficiency achieved for the year	Whether feasibility of project changes significantly, if yes, please specify
IPO shares	Advanced and intelligent manufacturing base project	Production and construction	No	230,000	-	2,335	1.01	No	No	The Project's conditions have evolved since initially planned, causing a delay in its progress. At present, the executing company has submitted a feasibility study update, which is under review by the Company.	Not applicable	No
										applied the intelligent passenger traffic analysis system in Fenchuang Maglev and Taizhou Commuter Rail S1 Line in the field, carried out the field test of the low-vacuum pipeline ultra-high-speed maglev operation control system in the ultra-high-speed maglev test line in Yangqiao, Dabang, Shengxi, arranged the test of the high-density automatic operation control system for heavy-haul freight train in Shennua Railway; arranged the application of large station CTC3.0 system based on the integration of train shunting operations in Jirain Railway Bureau and Taiyuan Railway Bureau; completed the field plot test of 400MHz digital train dispatching system for railway special communication; carried out the on-road trial of locomotive on-board relays; carried out the on-road trial and promotion and application of the outdoor monitoring system (split) for ZPW-2000 range rail circuit; the intelligent diagnosis system on turnout switch; the rail breakage monitoring system of turnouts; ZDb dust-proof sealed electric switch machine, GW-SH external locking device and other products, etc.		

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

Source of proceeds	Project name	Nature of project	Whether the project in the prospectus or offering memorandum involved change is	Total proposed investment amount of proceeds (i)	Amount invested in the year	Reporting Period (2)	Reporting Period (%) (3)=(2)/(1)	Date on which project reached expected available status	Closed or not	Whether investment process is in line with plan process	Specific reason for process of investment not achieved as planned	Efficiency achieved for the year	Whether feasibility of project changes significantly, if yes, please specify
IPO of shares	Information construction project	Operational management project	No	30,000	1,980	11,126	37.09	--	No	No	Despite external factors causing a shorter-than-anticipated timeline, the Project's implementation conditions and feasibility remain largely unchanged. The Company is committed to actively advancing its execution.	Not applicable	No
IPO of shares	Replenishment of liquid capital and debt repayment		No	235,434	--	299,393	100	--	No	Yes	--	Not applicable	No
Total	/	/	/	1,035,434	1,980	5,762,225	55.65	/	/	/	/	/	/

*Note 1:* A total of RMB2,629.70 million was invested in advanced and intelligent technology research and development projects as at the end of the Reporting Period, of which RMB1,999.48 million was invested in research on advanced rail transit control systems and key technologies, and RMB160.67 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 RMB97.43 million was invested in rail transit intelligent construction technology research.

*Note 2:* As of 30 June 2024, 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.

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

Applicable  Not applicable

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

### (III) Changes in or termination of investment during the Reporting Period

Applicable  Not applicable

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

#### 1. Initial investment and replacement of projects with proceeds

Applicable  Not applicable

#### 2. Temporarily supplement working capital with idle proceeds

Applicable  Not applicable

#### 3. Cash management against idle proceeds to invest in relevant products

Applicable  Not applicable

Unit: 0'000 Yuan Currency: RMB

Date of deliberation by the Board	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
4 August 2023	270,000	4 August 2023	3 August 2024	270,000	No

Other explanations

At the 14th meeting of the fourth session of the Board, the 9th meeting of the fourth session of the supervisory committee held on 4 August 2023, 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 structured deposits, time deposits and large deposit certificate) for a term of not exceeding 12 months. The details are subject to the resolution of the Board.

## SECTION VI SIGNIFICANT EVENTS (CONTINUED)

As of 30 June 2024, CRSC's cash management of proceeds is detailed in the table below.

Unit: 0' 000 Yuan Currency: RMB

No.	Trustee	Product type	Approved investment amount	Actual investment amount	Term	Balance as of 30 June 2024	Interest as of 30 June 2024	Remarks
1	China Everbright Bank Company Limited Qinghuayuan Sub-branch	Structured deposit	245,000	245,000	September 2019 – December 2019	–	2,331	Redeemed
2	China Everbright Bank Company Limited Qinghuayuan Sub-branch	Large deposit certificate	245,000	245,000	December 2019 – August 2020	–	6,901	Redeemed
3	China Merchants Bank Co., Ltd. Beijing Branch	Large deposit certificate	25,000	25,000	August 2019 – August 2020	–	950	Redeemed
4	China Merchants Bank Co., Ltd. Beijing Branch	Large deposit certificate	25,000	25,000	September 2020 – September 2022	–	1,891	Redeemed
5	China Merchants Bank Co., Ltd. Beijing Branch	Seven-day notice deposit	25,000	25,000	September 2022 – redemption on demand	20,000	139	Redeemed upon expiry
6	China Everbright Bank Company Limited Qinghuayuan Sub-branch	Large deposit certificate	170,000	170,000	September 2020 – December 2022	–	14,733	Redeemed
7	China Everbright Bank Company Limited Qinghuayuan Sub-branch	Large deposit certificate	75,000	75,000	September 2020 – December 2022	–	6,500	Redeemed
8	China Everbright Bank Company Limited Beijing Chaonei Sub-branch	Large deposit certificate	195,000	195,000	December 2022 – redemption on demand	195,000	–	Redeemed upon expiry
9	China Everbright Bank Company Limited Beijing Chaonei Sub-branch	Large deposit certificate	50,000	50,000	December 2022 – December 2023	–	1,100	Redeemed
10	China Everbright Bank Company Limited Beijing Chaonei Sub-branch	Large deposit certificate	55,000	55,000	June 2024 – redemption on demand	55,000	–	Redeemed upon expiry
Total						270,000	34,545	/

#### 4. Others

Applicable  Not applicable

### XIII. EXPLANATION ON OTHER SIGNIFICANT EVENTS

Applicable  Not applicable

# SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

## I. 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 equity 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

## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

### II. PARTICULARS OF SHAREHOLDERS

**(I) Total number of shareholders:**

Total number of ordinary shareholders as at the end of the Reporting Period (account)	66,995
Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (account)	–
Total number of shareholders holding shares with special voting rights as at the end of the Reporting Period (account)	–

As at the end of the Reporting Period, in addition to A shareholders, there are 216 registered H shareholders.

*Number of depositary receipt holders*

Applicable  Not applicable

## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

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

Particulars of shareholdings of the top ten Shareholders through ordinary securities accounts and client credit trading guarantee securities accounts of 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	Status of shares	Shares pledged, marked or frozen  Number of shares	Nature of shareholder
China Railway Signal and Communication (Group) Corporation Limited <sup>Note 1</sup>	+7,422,576	6,614,216,000	62.46	0	0	No	-	State-owned corporation
HKSCC NOMINEES LIMITED <sup>Note 2</sup>	+33,000	1,967,789,950	18.58	0	0	Unknown	-	Overseas corporation
China Merchants Bank Co., Ltd -ChinaAMC SSE STAR 50 Exchange Traded Fund	-15,497,567	200,258,050	1.89	0	0	Unknown	-	Other
HONG KONG SECURITIES CLEARING COMPANY LIMITED	-54,257,080	104,716,918	0.99	0	0	Unknown	-	Other
Industrial and Commercial Bank of China Limited - E Fund SSE STAR 50 Exchange Traded Fund	+23,710,654	95,989,922	0.91	0	0	Unknown	-	Other
China National Machinery Industry Corporation	0	63,507,192	0.60	0	0	Unknown	-	State-owned corporation
China Railway Investment Group Co., Ltd.	0	34,188,000	0.32	0	0	Unknown	-	State-owned corporation
National Social Security Fund Portfolio 110	29,882,560	29,882,560	0.28	0	0	Unknown	-	Other
Industrial and Commercial Bank of China Limited - Huatai-PB CSI 300 Open-ended Index Fund	28,258,243	28,258,243	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



## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

### 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	Number
China Railway Signal and Communication (Group) Corporation Limited <sup>Note 1</sup>	6,614,216,000	RMB ordinary shares	6,614,216,000
HKSCC NOMINEES LIMITED <sup>Note 2</sup>	1,967,789,950	Overseas listed foreign shares	1,967,789,950
China Merchants Bank Co., Ltd -ChinaAMC SSE STAR 50 Exchange Traded Fund	200,258,050	RMB ordinary shares	200,258,050
HONG KONG SECURITIES CLEARING COMPANY LIMITED	104,716,918	RMB ordinary shares	104,716,918
Industrial and Commercial Bank of China Limited-E Fund SSE STAR 50 Exchange Traded Fund	95,989,922	RMB ordinary shares	95,989,922
China National Machinery Industry Corporation	63,507,192	RMB ordinary shares	63,507,192
China Railway Investment Group Co., Ltd.	34,188,000	RMB ordinary shares	34,188,000
National Social Security Fund Portfolio 110	29,882,560	RMB ordinary shares	29,882,560
Industrial and Commercial Bank of China Limited – Huatai-PB CSI 300 Open-ended Index Fund	28,258,243	RMB ordinary shares	28,258,243
Hunan Rail Transit Holding Group Co., Ltd.	23,677,500	RMB ordinary shares	23,677,500
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: From 18 October 2023 to 17 April 2024, CRSC Group, the controlling shareholder of the Company, increased its shareholding of the Company by 9,789,576 shares through the trading system of Shanghai Stock Exchange by means of centralized bidding, accounting for 0.0924% of the total share capital of the Company, and the total amount of the increase was RMB50.1451 million. As at 30 June 2024, CRSC Group directly held 6,648,518,000 shares of the Company (including 6,614,216,000 A shares and 34,302,000 H shares), representing approximately 62.78% of the total issued 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.

## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

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

Unit: Share

Name of shareholder (full name)	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							
	Shares held in ordinary accounts and credit accounts at the beginning of the period		Shares lent under re-financing facility at the beginning of the period and not yet repatriated		Shares held in ordinary accounts and credit accounts at the end of the period		Shares lent under re-financing facility at the end of the period and not yet repatriated	
	Total amount	Proportion (%)	Total amount	Proportion (%)	Total amount	Proportion (%)	Total amount	Proportion (%)
China Merchants Bank Co., Ltd - ChinaAMC SSE STAR 50 Exchange Traded Fund	215,755,617	2.04	5,251,900	0.05	200,258,050	1.89	2,103,700	0.02
Industrial and Commercial Bank of China Limited - E Fund SSE STAR 50 Exchange Traded Fund	72,279,268	0.68	1,204,100	0.01	95,989,922	0.91	586,800	0.01

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

Applicable  Not applicable

## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

**(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/depository receipts**

Applicable  Not applicable

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

As at 30 June 2024, so far as is known to the Directors, the following persons (other than the directors, the supervisors of the Company (the “**Supervisors**”) 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	A shares	Beneficial owner	6,604,426,424 (Long position)	76.61%	62.37%
Shanghai Zhenhua Heavy Industries Co., Ltd. <sup>(1)</sup>	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
Shanghai Zhenhua Port Machinery (Hong Kong) Company Limited <sup>(1)</sup>	H shares	Beneficial owner	123,063,000 (Long position)	6.25%	1.16%
China Railway Group Investment (Hong Kong) Limited <sup>(2)</sup>	H shares	Beneficial owner	123,063,000 (Long position)	6.25%	1.16%
China Railway Engineering Corporation <sup>(2)</sup>	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
China Railway Group Limited <sup>(2)</sup>	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
China Railway International Group Co., Limited <sup>(2)</sup>	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	234,154,000 (Long position)	11.89%	2.21%

## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

Notes:

As at 30 June 2024, 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.

1. Shanghai Zhenhua Heavy Industries Co., Ltd. had interests in such shares through Shanghai Zhenhua Port Machinery (Hong Kong) Company Limited.
2. 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 2024, the Directors were not aware of any persons (other than the directors, the Supervisors 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, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

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

Applicable  Not applicable

*Other explanations*

Applicable  Not applicable

During the Reporting Period, there was no change in the indirect shareholding of the Company's Directors, Supervisors, senior management and core technicians. As of 30 June 2024, the Company's senior management ZHANG Zhihui, core technicians FU Gang and others still indirectly hold the Company's shares by holding shares in the FengZhong Asset Management Plan, totaling 370,973 A shares.

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

##### 1. Stock option

Applicable  Not applicable

##### 2. The first type of restricted stocks

Applicable  Not applicable

##### 3. The second type of restricted stocks

Applicable  Not applicable

#### (III) Other explanations

Applicable  Not applicable

## SECTION VII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

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

As at 30 June 2024, none of the Directors, Supervisors and chief executives of the Company had any interests and/or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules of the Hong Kong Stock Exchange, to be notified to the Company and the Hong Kong Stock Exchange.

### V. SECURITIES TRANSACTIONS CONDUCTED BY DIRECTORS AND SUPERVISORS

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 and Supervisors trading securities of the Company. All the Directors and Supervisors 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 2024.

### 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

# SECTION VIII PARTICULARS OF PREFERENCE SHARES

Applicable     Not Applicable

## SECTION IX PARTICULARS OF BONDS

### 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

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

Applicable     Not Applicable

## SECTION IX PARTICULARS OF BONDS (CONTINUED)

### 1. Basic information on debt financing instruments of non-financial enterprises

Unit: Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Balance of the bond	Interest rate (%)	Repayment of principal and interest	Trading place	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of termination of listing and trading
2021 First Tranche of Medium-term Notes of China Railway Signal & Communication Corporation Limited	21 CRSC MTN001	102102265.B	15 December 2021	16 December 2021	3+N (3) years, standing perpetually before redemption by the issuer in accordance with the terms of issuance, and maturing upon redemption by the issuer in accordance with the terms of issuance.	2,800,000,000.00	3.32	Interest payment method: Simple interest for accrual of annual interest, and no compound interest will be accrued. If the Company does not exercise the option of deferred payment of interest, interest will be paid annually; if the Company exercises the option of deferred payment of interest, the current interest and all deferred interest and interest thereof will be deferred to the next interest payment date, and each deferred interest is interest bearing at the prevailing coupon rate during the deferral period. The last installment of interest shall be paid together with the principal. Repayment method: The principal and the last installment of interest are paid upon redemption by the issuer in accordance with the terms of issuance.	Interbank market	For qualified institutional investors in the national interbank bond market (other than purchasers prohibited by national laws or regulations), it shall be conducted in accordance with the relevant regulations promulgated by the National Interbank Funding Center.	Through the local currency trading system of the foreign exchange trading center in the interbank market, transactions are concluded one by one with the counterparties by way of price inquiry.	No



## SECTION IX PARTICULARS OF BONDS (CONTINUED)

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

Applicable  Not Applicable

### Overdue and outstanding bonds

Applicable  Not Applicable

### Explanation on overdue debts

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

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

Applicable  Not Applicable

### 5. Other explanations of debt financing instrument of non-financial enterprises

Applicable  Not Applicable

### (III) Proceeds from the corporate bonds

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

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

### (IV) Other matters that should be disclosed for special bonds

Applicable  Not Applicable

## SECTION IX PARTICULARS OF BONDS (CONTINUED)

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

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) Major accounting data and financial indicators

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Major indicators	As at the end of	As at the end of	Change as	Reason of
	the Reporting	last year	compared with	
	Period	last year	the end of last	Changes
			year	
			(%)	
Current ratio	1.41	1.40	0.01	/
Quick ratio	0.75	0.74	0.01	/
Gearing ratio (%)	58.72	58.93	-0.21	/

  

Major indicators	For the	Corresponding	Change as	Reason of
	Reporting Period	period of last	compared	
	(from January	year	with the	Changes
	to June)	year	corresponding	
			period of last	
			year	
			(%)	
Net profits after deducting non-recurring profit and loss	1,560,294,219.45	1,714,426,935.25	-8.99	/
Debt-to-EBITDA ratio	0.82	0.04	0.78	/
Interest coverage ratio	93.67	55.47	38.20	/
Cash interest coverage ratio	137.81	-27.62	165.43	Due to a significant increase in net cash flow from operating activities
EBITDA interest coverage ratio	109.04	63.15	45.89	/
Loan repayment ratio (%)	100.00	100.00	-	/
Interest coverage ratio (%)	100.00	100.00	-	/

## SECTION IX PARTICULARS OF BONDS (CONTINUED)

### II. CONVERTIBLE COMPANY DEBENTURES

Applicable     Not Applicable

# SECTION X FINANCIAL REPORT

## I. AUDIT REPORT

Applicable  Not Applicable

# CONSOLIDATED BALANCE SHEET

30 June 2024

## II. FINANCIAL STATEMENTS

Prepared by: China Railway Signal & Communication Corporation Limited

Unit: Yuan Currency: RMB

Item	Note VII	30 June 2024	31 December 2023
<b>Current assets:</b>			
Cash and bank balances	(I)	<b>23,759,388,945.42</b>	22,574,043,702.19
Balances with clearing companies		–	–
Placements with banks and other financial institutions		–	–
Held-for-trading financial assets	(II)	–	–
Derivative financial assets	(III)	–	–
Bills receivable	(IV)	<b>688,684,621.87</b>	1,058,627,238.40
Accounts receivable	(V)	<b>22,871,138,096.78</b>	22,875,547,606.09
Receivables for financing	(VII)	<b>644,586,690.30</b>	972,719,326.28
Prepayments	(VIII)	<b>1,166,364,700.79</b>	1,082,591,486.36
Premiums receivable		–	–
Reinsurance accounts receivable		–	–
Deposits receivable from reinsurance treaty		–	–
Other receivables	(IX)	<b>1,645,183,088.53</b>	1,536,562,573.61
Including: Interest receivable		–	–
Dividends receivable		<b>2,940,000.00</b>	5,100,000.00
Financial assets held under resale agreements		–	–
Inventories	(X)	<b>3,636,853,721.27</b>	3,206,183,424.85
Of which: data resources		–	–
Contract assets	(VI)	<b>37,019,141,802.48</b>	38,228,739,616.63
Assets held for sale	(XI)	–	–
Non-current assets due within one year	(XII)	<b>79,907,024.21</b>	63,287,188.01
Other current assets	(XIII)	<b>996,594,583.15</b>	911,304,421.59
<b>Total current assets</b>		<b>92,507,843,274.80</b>	92,509,606,584.01

## CONSOLIDATED BALANCE SHEET (CONTINUED)

30 June 2024

Item	Note VII	30 June 2024	31 December 2023
<b>Non-current assets:</b>			
Loans and advances to customers		–	–
Debt investment	(XIV)	273,172,183.50	273,172,183.50
Other debt investments	(XV)	–	–
Long-term receivables	(XVI)	6,739,358,463.84	7,246,719,629.43
Long-term equity investments	(XVII)	1,621,251,729.96	1,532,166,245.23
Other equity instrument investments	(XVIII)	1,223,290,285.94	1,223,290,285.94
Other non-current financial assets	(XIX)	–	–
Investment properties	(XX)	329,796,775.38	335,313,226.24
Fixed assets	(XXI)	4,969,605,559.95	5,122,689,100.30
Construction in progress	(XXII)	522,452,059.85	400,246,410.75
Productive biological assets	(XXIII)	–	–
Oil and gas assets	(XXIV)	–	–
Right-of-use assets	(XXV)	117,187,307.93	124,635,956.62
Intangible assets	(XXVI)	2,483,017,389.77	2,587,644,292.75
Of which: data resources		–	–
Development expenditure	VIII	204,038,530.50	179,725,096.60
Of which: data resources		–	–
Goodwill	(XXVII)	283,042,528.58	283,042,528.58
Long-term prepaid expenses	(XXVIII)	49,657,928.32	55,688,360.12
Deferred tax assets	(XXIX)	533,379,263.04	550,629,452.92
Other non-current assets	(XXX)	6,691,646,914.94	6,565,918,378.75
<b>Total non-current assets</b>		<b>26,040,896,921.50</b>	<b>26,480,881,147.73</b>
<b>Total assets</b>		<b>118,548,740,196.30</b>	<b>118,990,487,731.74</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

30 June 2024

Item	Note VII	30 June 2024	31 December 2023
<b>Current liabilities:</b>			
Short-term borrowings	(XXXII)	635,200,885.02	2,451,633,147.05
Borrowings from central bank		–	–
Placements from banks and other financial institutions		–	–
Financial liabilities held for trading	(XXXIII)	–	–
Derivative financial liabilities	(XXXIV)	–	–
Bills payable	(XXXV)	1,324,735,856.14	1,416,353,129.31
Accounts payable	(XXXVI)	44,846,916,917.65	49,669,506,699.81
Advance receipts	(XXXVII)	–	–
Contract liabilities	(XXXVIII)	7,892,872,048.22	7,825,651,674.51
Financial assets sold for repurchase		–	–
Customers deposits and deposits from banks and other financial institutions		5,060,575,156.65	138,046,438.06
Amount paid for agency securities trading		–	–
Amount paid for agency securities underwriting		–	–
Employee benefits payable	(XXXIX)	823,111,599.17	701,016,829.27
Tax payable	(XL)	769,802,501.18	1,040,646,981.47
Other payables	(XLI)	3,307,156,823.94	1,735,520,570.87
Including: Interest payable		–	–
Dividends payable		1,866,172,863.90	61,102,622.90
Fees and commissions payable		–	–
Reinsurance accounts payable		–	–
Liabilities held for sale	(XLII)	–	–
Non-current liabilities due within one year	(XLIII)	393,902,177.26	438,571,680.21
Other current liabilities	(XLIV)	756,670,381.60	826,904,226.67
<b>Total current liabilities</b>		<b>65,810,944,346.83</b>	<b>66,243,851,377.23</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

30 June 2024

Item	Note VII	30 June 2024	31 December 2023
<b>Non-current liabilities:</b>			
Insurance contract reserve		—	—
Long-term borrowings	(XLV)	<b>2,929,434,830.20</b>	2,979,942,069.48
Bonds payable	(XLVI)	—	—
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities	(XLVII)	<b>67,385,066.90</b>	74,462,004.67
Long-term payables	(XLVIII)	<b>44,003,013.77</b>	53,338,192.06
Long-term employee benefits payable	(XLIX)	<b>545,683,000.00</b>	507,951,000.00
Estimated liabilities	(L)	<b>26,299,325.41</b>	27,113,956.19
Deferred income	(LI)	<b>153,389,728.96</b>	173,790,666.02
Deferred tax liabilities	(XXIX)	<b>35,655,699.62</b>	55,203,436.19
Other non-current liabilities	(LII)	—	—
<b>Total non-current liabilities</b>		<b>3,801,850,664.86</b>	3,871,801,324.61
<b>Total liabilities</b>		<b>69,612,795,011.69</b>	70,115,652,701.84
<b>Shareholders' equity:</b>			
Share capital	(LIII)	<b>10,589,819,000.00</b>	10,589,819,000.00
Other equity instruments	(LIV)	<b>2,796,935,660.38</b>	2,796,935,660.38
Including: Preference shares		—	—
Perpetual bonds		<b>2,796,935,660.38</b>	2,796,935,660.38
Capital reserve	(LV)	<b>15,964,193,131.18</b>	15,964,182,695.10
Less: treasury stocks	(LVI)	—	—
Other comprehensive income	(LVII)	<b>-224,917,871.12</b>	-203,485,689.35
Special reserve	(LVIII)	<b>315,280,141.66</b>	299,764,318.80
Surplus reserve	(LIX)	<b>2,280,998,087.60</b>	2,280,998,087.60
General risk reserve		<b>39,397,794.27</b>	39,397,794.27
Retained earnings	(LX)	<b>14,843,234,686.49</b>	15,044,440,040.06
Total equity attributable to Shareholders of the parent company		<b>46,604,940,630.46</b>	46,812,051,906.86
Non-controlling interests		<b>2,331,004,554.15</b>	2,062,783,123.04
Total Shareholders' equity		<b>48,935,945,184.61</b>	48,874,835,029.90
<b>Total liabilities and Shareholders' equity</b>		<b>118,548,740,196.30</b>	118,990,487,731.74

Person-in-charge of the Company:  
Lou Qiliang

Chief Financial Officer:  
LI Lianqing

Head of Accounting Department:  
ZHANG Shihu



# PARENT COMPANY'S BALANCE SHEET

30 June 2024

Prepared by: China Railway Signal & Communication Corporation Limited

Unit: Yuan Currency: RMB

Item	Note XIX	30 June 2024	31 December 2023
<b>Current assets:</b>			
Cash and bank balances		<b>9,479,599,258.26</b>	9,618,021,072.64
Held-for-trading financial assets		–	–
Derivative financial assets		–	–
Bills receivable		<b>3,300,000.00</b>	–
Accounts receivable	(I)	<b>1,609,543,429.85</b>	1,642,075,530.34
Receivables for financing		–	86,737,718.32
Prepayments		<b>223,940,335.24</b>	227,165,875.59
Other receivables	(II)	<b>8,964,045,884.70</b>	6,857,294,566.71
Including: Interest receivable		–	–
Dividends receivable		<b>2,144,115,930.31</b>	250,222,930.31
Inventories		<b>17,735,685.53</b>	8,367,845.69
Of which: data resources		–	–
Contract assets		<b>1,402,228,798.09</b>	1,670,505,380.98
Assets held for sale		–	–
Non-current assets due within one year		<b>28,951,039.33</b>	864,167.38
Other current assets		<b>105,272,239.01</b>	86,057,502.39
<b>Total current assets</b>		<b>21,834,616,670.01</b>	20,197,089,660.04

## PARENT COMPANY'S BALANCE SHEET (CONTINUED)

30 June 2024

Item	Note XIX	30 June 2024	31 December 2023
<b>Non-current assets:</b>			
Debt investment		273,172,183.50	273,172,183.50
Other debt investments		–	–
Long-term receivables		2,142,067,876.44	2,131,932,397.90
Long-term equity investments	(III)	19,343,064,547.56	19,317,502,298.16
Other equity instrument investments		501,144,899.67	501,144,899.67
Other non-current financial assets		–	–
Investment properties		1,365,548,067.59	1,384,534,865.00
Fixed assets		477,934,695.23	488,935,188.10
Construction in progress		9,199,876.28	9,199,876.28
Productive biological assets		–	–
Oil and gas assets		–	–
Right-of-use assets		430,846.33	891,246.41
Intangible assets		497,462,488.89	519,729,627.07
Of which: data resources		–	–
Development expenditure		–	–
Of which: data resources		–	–
Goodwill		–	–
Long-term prepaid expenses		–	–
Deferred tax assets		39,139,745.50	40,162,614.97
Other non-current assets		53,546,067.40	58,193,659.96
<b>Total non-current assets</b>		<b>24,702,711,294.39</b>	<b>24,725,398,857.02</b>
<b>Total assets</b>		<b>46,537,327,964.40</b>	<b>44,922,488,517.06</b>

## PARENT COMPANY'S BALANCE SHEET (CONTINUED)

30 June 2024

Item	Note XIX	30 June 2024	31 December 2023
<b>Current liabilities:</b>			
Short-term borrowings		2,000,000,000.00	2,000,000,000.00
Financial liabilities held for trading		–	–
Derivative financial liabilities		–	–
Bills payable		31,538,121.69	34,465,037.06
Accounts payable		3,726,534,039.42	4,144,369,247.93
Advance receipts		–	–
Contract liabilities		980,207,468.83	866,076,667.84
Employee benefits payable		23,717,079.91	26,471,780.36
Tax payable		24,698,690.12	9,206,960.81
Other payables		5,079,964,486.93	3,450,175,190.87
Including: Interest payable		–	–
Dividends payable		1,800,269,230.00	–
Liabilities held for sale		–	–
Non-current liabilities due within one year		14,679.08	381,189.60
Other current liabilities		37,142,408.89	34,342,454.72
<b>Total current liabilities</b>		<b>11,903,816,974.87</b>	<b>10,565,488,529.19</b>
<b>Non-current liabilities:</b>			
Long-term borrowings		–	–
Bonds payable		–	–
Including: Preference shares		–	–
Perpetual bonds		–	–
Lease liabilities		401,070.90	418,123.25
Long-term payables		–	–
Long-term employee benefits payable		60,401,000.00	56,190,000.00
Provisions		686,646.49	686,646.49
Deferred income		4,010,494.06	4,020,017.87
Deferred tax liabilities		–	6,207,153.01
Other non-current liabilities		–	–
<b>Total non-current liabilities</b>		<b>65,499,211.45</b>	<b>67,521,940.62</b>
<b>Total liabilities</b>		<b>11,969,316,186.32</b>	<b>10,633,010,469.81</b>

## PARENT COMPANY'S BALANCE SHEET (CONTINUED)

30 June 2024

Item	Note XIX	30 June 2024	31 December 2023
<b>Shareholders' equity:</b>			
Share capital		<b>10,589,819,000.00</b>	10,589,819,000.00
Other equity instruments		<b>2,796,935,660.38</b>	2,796,935,660.38
Including: Preference shares		–	–
Perpetual bonds		<b>2,796,935,660.38</b>	2,796,935,660.38
Capital reserve		<b>16,356,470,432.63</b>	16,356,470,432.63
Less: treasury stocks		–	–
Other comprehensive income		<b>-29,567,624.28</b>	-26,293,082.07
Special reserve		<b>18,561,169.99</b>	26,363,291.27
Surplus reserve		<b>2,280,998,087.60</b>	2,280,998,087.60
Retained earnings		<b>2,554,795,051.76</b>	2,265,184,657.44
<b>Total Shareholders' equity</b>		<b>34,568,011,778.08</b>	34,289,478,047.25
<b>Total liabilities and Shareholders' equity</b>		<b>46,537,327,964.40</b>	44,922,488,517.06

Person-in-charge of the Company:  
Lou Qiliang

Chief Financial Officer:  
LI Lianqing

Head of Accounting Department:  
ZHANG Shihu

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

January to June 2024

Unit: Yuan Currency: RMB

Item	Note VII	For the six months ended 30 June 2024	For the six months ended 30 June 2023
I. Total revenue		<b>14,332,258,705.32</b>	16,666,226,171.84
Including: Revenue	(LXI)	<b>14,250,309,285.72</b>	16,633,010,199.97
Interest income		<b>81,949,419.60</b>	33,215,971.87
Premiums earned		—	—
Fees and commissions income		—	—
II. Total cost of sales		<b>12,177,432,969.98</b>	14,407,855,435.02
Including: Cost of sales	(LXI)	<b>10,066,850,389.49</b>	12,482,157,364.82
Interest expenses		<b>5,499,169.31</b>	144,556.36
Fees and commissions expense		<b>12,400.09</b>	5,580.09
Surrenders		—	—
Net payments for insurance claims		—	—
Net provisions for insurance contract reserve		—	—
Policy dividend expenses		—	—
Reinsurance costs		—	—
Taxes and surcharges	(LXII)	<b>116,947,769.26</b>	106,921,060.04
Selling and distribution expenses	(LXIII)	<b>361,108,406.00</b>	343,041,168.71
General and administrative expenses	(LXIV)	<b>955,972,333.77</b>	970,225,656.74
Research and development expenses	(LXV)	<b>750,408,885.34</b>	648,673,283.76
Finance costs	(LXVI)	<b>-79,366,383.28</b>	-143,313,235.50
Including: Interest expenses		<b>24,415,241.78</b>	45,916,542.28
Interest income		<b>113,994,066.78</b>	212,567,569.60
Add: Other income	(LXVII)	<b>129,757,004.61</b>	228,822,019.66
Investment income (with "-" for loss)	(LXVIII)	<b>52,442,579.11</b>	69,676,000.80
Including: Share of profits of associates and joint ventures		<b>49,917,579.87</b>	52,387,752.96
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)	(LXIX)	—	—
Gains from changes in fair value (with "-" for loss)	(LXX)	—	—
Credit impairment losses (with "-" for loss)	(LXXI)	<b>-89,481,036.47</b>	-74,028,474.70
Assets impairment losses (with "-" for loss)	(LXXII)	<b>6,433,350.85</b>	-1,396,179.00
Gains from disposal of assets (with "-" for loss)	(LXXIII)	<b>-37,842.94</b>	230,700.77

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

January to June 2024

Item	Note VII	For the six months ended 30 June 2024	For the six months ended 30 June 2023
III. Operating profit (with "-" for loss)		<b>2,253,939,790.50</b>	2,481,674,804.35
Add: Non-operating income	(LXXIV)	<b>11,663,387.58</b>	12,436,663.92
Less: Non-operating expenses	(LXXV)	<b>3,072,839.29</b>	2,333,748.89
IV. Total profits (with "-" for total losses)		<b>2,262,530,338.79</b>	2,491,777,719.38
Less: Income tax expenses	(LXXVI)	<b>403,210,507.25</b>	383,191,151.42
V. Net profit (with "-" for net loss)		<b>1,859,319,831.54</b>	2,108,586,567.96
(I) Classified by continuity of operation			
1. Net profit from continuing operations (with "-" for net loss)		<b>1,859,319,831.54</b>	2,108,586,567.96
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)		<b>1,599,063,876.43</b>	1,823,846,746.52
2. Net profit attributable to non-controlling interests (with "-" for net loss)		<b>260,255,955.11</b>	284,739,821.44
VI. Other comprehensive income, net of tax		<b>-21,443,029.53</b>	-12,806,756.35
(I) Other comprehensive income attributable to the owners of the parent company, net of tax		<b>-21,432,181.77</b>	-13,437,003.92
1. Other comprehensive income that may not be reclassified into profit or loss		<b>-30,415,000.00</b>	-14,747,000.00
(1) Changes of re-measurement of defined benefit plans		<b>-30,415,000.00</b>	-14,747,000.00
(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)

January to June 2024

Item	Note VII	For the six months ended 30 June 2024	For the six months ended 30 June 2023
2. Other comprehensive income that will be reclassified into profit or loss		<b>8,982,818.23</b>	1,309,996.08
(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		<b>9,322,293.35</b>	-100,698.92
(6) Exchange differences on translation of foreign operations		<b>327,629.53</b>	1,230,313.75
(7) Others		<b>-667,104.65</b>	180,381.25
(II) Other comprehensive income attributable to non-controlling interests, net of tax		<b>-10,847.76</b>	630,247.57
VII. Total comprehensive income		<b>1,837,876,802.01</b>	2,095,779,811.61
(I) Total comprehensive income attributable to Shareholders of the parent company		<b>1,577,631,694.66</b>	1,810,409,742.60
(II) Total comprehensive income attributable to non-controlling interests		<b>260,245,107.35</b>	285,370,069.01
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		<b>0.15</b>	0.17
(II) Diluted earnings per share (RMB/share)		<b>0.15</b>	0.17

For the business combination under common control occurred during the current period, net profit of the acquiree realised before business combination was RMB0. Net profit of the acquiree realised during the last period was RMB0.

Person-in-charge of the Company:  
Lou Qiliang

Chief Financial Officer:  
LI Lianqing

Head of Accounting Department:  
ZHANG Shihu

# PARENT COMPANY'S STATEMENT OF PROFIT OR LOSS

January to June 2024

Unit: Yuan Currency: RMB

Item	Note XIX	<b>For the six months ended 30 June 2024</b>	For the six months ended 30 June 2023
I. Revenue	(IV)	<b>1,114,700,301.47</b>	1,600,123,408.03
Less: Cost of sale	(IV)	<b>963,502,992.00</b>	1,437,719,758.37
Taxes and surcharges		<b>21,340,175.64</b>	21,119,315.24
Selling and distribution expenses		<b>1,071,642.88</b>	1,068,671.82
General and administrative expenses		<b>100,746,567.14</b>	92,635,272.02
Research and development expenses		<b>28,516,806.05</b>	34,868,392.47
Finance costs		<b>-48,688,355.30</b>	-100,167,076.79
Including: Interest expenses		<b>51,388,571.68</b>	69,941,444.47
Interest income		<b>93,302,397.47</b>	158,870,931.17
Add: Other income		<b>988,364.14</b>	2,339,573.92
Investment income (with "-" for loss)	(V)	<b>2,089,676,709.28</b>	2,134,334,520.57
Including: Share of profits of associates and joint ventures		<b>25,562,249.40</b>	16,644,317.00
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)		<b>-22,590,202.77</b>	-10,022,993.70
Assets impairment losses (with "-" for loss)		<b>1,703,128.72</b>	263,089.49
Gains from disposal of assets (with "-" for loss)		<b>-24,522.25</b>	-42,826.84
II. Operating profit (with "-" for loss)		<b>2,117,963,950.18</b>	2,239,750,438.34
Add: Non-operating income		<b>484,683.88</b>	111,353.98
Less: Non-operating expenses		<b>200,001.45</b>	451,933.11
III. Total profits (with "-" for total losses)		<b>2,118,248,632.61</b>	2,239,409,859.21
Less: Income tax expenses		<b>28,369,008.29</b>	26,103,852.94
IV. Net profit (with "-" for net loss)		<b>2,089,879,624.32</b>	2,213,306,006.27



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

January to June 2024

Item	Note XIX	For the six months ended 30 June 2024	For the six months ended 30 June 2023
(I)	Net profit from continuing operations (with "-" for net loss)	<b>2,089,879,624.32</b>	2,213,306,006.27
(II)	Net profit from discontinued operations (with "-" for net loss)	-	-
V.	Other comprehensive income, net of tax	<b>-3,274,542.21</b>	-1,097,654.35
(I)	Other comprehensive income that may not be reclassified into profit or loss	<b>-3,404,000.00</b>	-1,799,000.00
1.	Changes of re-measurement of defined benefit plans	<b>-3,404,000.00</b>	-1,799,000.00
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	<b>129,457.79</b>	701,345.65
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	<b>129,457.79</b>	701,345.65
7.	Others	-	-
VI.	Total comprehensive income	<b>2,086,605,082.11</b>	2,212,208,351.92
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:  
ZHANG Shihu

# CONSOLIDATED STATEMENT OF CASH FLOWS

January to June 2024

Unit: Yuan Currency: RMB

Item	Note VII	For the six months ended 30 June 2024	For the six months ended 30 June 2023
<b>I. Cash flows generated from operating activities:</b>			
Cash received from the sale of goods or rendering of services		<b>16,283,617,479.12</b>	15,184,704,029.39
Net increase in customer deposits received and interbank deposits		<b>4,922,528,718.59</b>	148,219,938.55
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		<b>76,295,350.23</b>	20,487,421.92
Net increase in placements from banks and other financial institutions		—	—
Net increase in returned business capital		—	—
Net cash received from accounts payables to brokerage clients		—	—
Refunds of tax		<b>104,289,058.37</b>	198,168,943.06
Cash received relating to other operating activities (LXXVIII)		<b>940,032,450.93</b>	821,779,136.90
Subtotal of cash inflows from operating activities		<b>22,326,763,057.24</b>	16,373,359,469.82
Cash paid for goods and services		<b>14,269,108,612.67</b>	12,255,889,895.18
Net increase in loans and advances to customers		—	—
Net increase in deposits with the central bank and interbank funds		<b>292,989,892.95</b>	110,827,306.02
Cash paid for original insurance contract compensation		—	—
Net increase in placements with banks and other financial institutions		—	—
Interests, service charges and commission paid		<b>4,834,825.56</b>	5,580.09
Cash paid for bonus of guarantee slip		—	—
Cash paid to and on behalf of employees		<b>2,329,832,477.44</b>	2,367,846,867.03
Cash paid for all taxes		<b>1,196,804,662.50</b>	1,047,851,476.54
Cash paid relating to other operating activities (LXXVIII)		<b>1,260,475,022.01</b>	1,462,040,973.44
Subtotal of cash outflows from operating activities		<b>19,354,045,493.13</b>	17,244,462,098.30
Net cash flows generated from operating activities (LXXIX)		<b>2,972,717,564.11</b>	-871,102,628.48

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

*January to June 2024*

Item	Note VII	<b>For the six months ended 30 June 2024</b>	For the six months ended 30 June 2023
<b>II. Cash flows generated from investing activities:</b>			
Cash received from disposal of investments		–	76,500,000.00
Cash received from return on investment		<b>5,100,000.00</b>	39,722,592.57
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		<b>9,536,748.09</b>	387,470.75
Net cash from disposal of subsidiaries and other operating units		<b>4,185,000.00</b>	–
Cash received relating to other investing activities	(LXXVIII)	<b>7,048,479.76</b>	5,028,765.68
Subtotal of cash inflows from investing activities		<b>25,870,227.85</b>	121,638,829.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		<b>191,634,731.66</b>	183,124,782.36
Cash paid for investments		<b>42,097,468.78</b>	84,024,948.00
Net increase in pledged loan		–	–
Net cash paid on acquisition of subsidiaries and other operating units		–	–
Increase in unsecured/pledged and unrestricted time deposits with maturity over three months		<b>266,711,011.02</b>	1,355,513,694.44
Cash paid relating to other investing activities	(LXXVIII)	–	500,786.63
Subtotal of cash outflows from investing activities		<b>500,443,211.46</b>	1,623,164,211.43
Net cash flows generated from investing activities		<b>-474,572,983.61</b>	-1,501,525,382.43

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

January to June 2024

Item	Note VII	For the six months ended 30 June 2024	For the six months ended 30 June 2023
<b>III. Cash flows generated from financing activities:</b>			
Cash received as capital contributions		9,800,000.00	–
Including: Cash received by subsidiaries from minority shareholders' investment		9,800,000.00	–
Cash received from borrowings		701,886,082.42	2,286,760,787.45
Cash received relating to other financing activities	(LXXVIII)	30,855.00	–
Subtotal of cash inflows from financing activities		711,716,937.42	2,286,760,787.45
Cash paid on repayments of borrowings		2,278,449,407.76	1,174,752,513.73
Cash paid for distribution of dividends or profits and for interest expenses		103,320,684.61	99,432,201.69
Including: Dividend and profit of minority shareholder paid by subsidiaries		617,947.95	1,384,252.00
Cash paid relating to other financing activities	(LXXVIII)	53,423,618.53	39,556,414.81
Subtotal of cash outflows from financing activities		2,435,193,710.90	1,313,741,130.23
Net cash flows generated from financing activities		-1,723,476,773.48	973,019,657.22
<b>IV. Effect of fluctuations in exchange rate on cash and cash equivalents</b>		-435,279.97	11,360,680.48
<b>V. Net increase in cash and cash equivalents</b>	(LXXIX)	774,232,527.05	-1,388,247,673.21
Add: Balance of cash and cash equivalents at the beginning of the period	(LXXIX)	16,020,112,696.12	17,241,658,431.27
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	(LXXIX)	16,794,345,223.17	15,853,410,758.06

Person-in-charge of the Company:  
Lou Qiliang

Chief Financial Officer:  
LI Lianqing

Head of Accounting Department:  
ZHANG Shihu

# STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January to June 2024

Unit: Yuan Currency: RMB

Item	Note	For the six months ended 30 June 2024	For the six months ended 30 June 2023
<b>I. Cash flows generated from operating activities:</b>			
Cash received from the sale of goods or rendering of services		2,315,451,857.73	1,453,185,243.17
Refunds of tax		34,109,138.37	45,389,328.54
Cash received relating to other operating activities		290,087,407.81	273,234,041.87
		<u>2,639,648,403.91</u>	<u>1,771,808,613.58</u>
Subtotal of cash inflows from operating activities			
Cash paid for goods and services		2,270,840,017.22	1,568,453,015.08
Cash paid to and on behalf of employees		71,263,117.08	118,266,242.07
Cash paid for all taxes		125,127,403.95	73,385,443.28
Cash paid relating to other operating activities		319,452,838.55	235,439,398.29
		<u>2,786,683,376.80</u>	<u>1,995,544,098.72</u>
Subtotal of cash outflows from operating activities			
Net cash flows generated from operating activities		<u>-147,034,972.89</u>	<u>-223,735,485.14</u>
<b>II. Cash flows generated from investing activities:</b>			
Cash received from disposal of investments		–	76,500,000.00
Cash received from return on investment		113,284,551.45	124,293,385.17
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		138,350.00	3,458.51
Net cash from disposal of subsidiaries and other operating units		–	–
Cash received relating to other investing activities		394,599,500.59	335,923,593.71
		<u>508,022,402.04</u>	<u>536,720,437.39</u>
Subtotal of cash inflows from investing activities			
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		23,859,597.80	21,870,511.00
Cash paid for investments		–	79,777,379.43
Increase in unsecured/pledged and unrestricted time deposits with maturity over three months		514,822,397.57	4,716,281.25
Net cash paid on acquisition of subsidiaries and other operating units		–	–
Cash paid relating to other investing activities		438,550,910.36	3,653,243,505.37
		<u>977,232,905.73</u>	<u>3,759,607,677.05</u>
Subtotal of cash outflows from investing activities			
Net cash flows generated from investing activities		<u>-469,210,503.69</u>	<u>-3,222,887,239.66</u>

# STATEMENT OF CASH FLOWS OF THE PARENT COMPANY (CONTINUED)

January to June 2024

Item	Note	For the six months ended 30 June 2024	For the six months ended 30 June 2023
<b>III. Cash flows generated from financing activities:</b>			
Cash received as capital contributions		–	–
Cash received from borrowings		<b>2,000,000,000.00</b>	2,000,000,000.00
Cash received relating to other financing activities		–	–
Subtotal of cash inflows from financing activities		<b>2,000,000,000.00</b>	2,000,000,000.00
Cash paid on repayments of borrowings		<b>2,000,000,000.00</b>	800,000,000.00
Cash paid for distribution of dividends or profits and for interest expenses		<b>30,339,444.45</b>	16,511,666.67
Cash paid relating to other financing activities		<b>408,150.00</b>	521,007.14
Subtotal of cash outflows from financing activities		<b>2,030,747,594.45</b>	817,032,673.81
Net cash flows generated from financing activities		<b>-30,747,594.45</b>	1,182,967,326.19
<b>IV. Effect of fluctuations in exchange rate on cash and cash equivalents</b>		<b>1,232,448.66</b>	6,828,292.75
<b>V. Net increase in cash and cash equivalents</b>		<b>-645,760,622.37</b>	-2,256,827,105.86
Add: Balance of cash and cash equivalents at the beginning of the period		<b>6,877,909,214.40</b>	11,442,781,825.07
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		<b>6,232,148,592.03</b>	9,185,954,719.21

Person-in-charge of the Company:  
Lou Qiliang

Chief Financial Officer:  
LI Lianqing

Head of Accounting Department:  
ZHANG Shihu

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

January to June 2024

Unit: Yuan Currency: RMB

Item	For the six months ended 30 June 2024														
	Equity attributable to owners of the parent Company										Total owners' equity				
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Other equity instruments	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve		Undistributed profits	Others	Subtotal	Minority shareholder interests
I. Closing balance of last year	10,569,819,000.00	-	2,796,335,660.38	-	15,964,182,695.10	-	-203,463,669.35	299,764,316.80	2,280,998,087.60	39,397,794.27	15,044,440,040.06	-	46,812,051,906.66	2,062,783,123.04	46,874,835,029.90
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	10,569,819,000.00	-	2,796,335,660.38	-	15,964,182,695.10	-	-203,463,669.35	299,764,316.80	2,280,998,087.60	39,397,794.27	15,044,440,040.06	-	46,812,051,906.66	2,062,783,123.04	46,874,835,029.90
III. Increase/(decrease) during the period (with "+", for decrease)	-	-	-	-	10,436.08	-	-21,432,181.77	15,615,822.86	-	-	-201,205,333.57	-	-207,111,276.40	263,221,431.11	61,110,154.71
(I) Total comprehensive income	-	-	-	-	-	-	-21,432,181.77	-	-	-	-1,599,063,876.43	-	-1,577,631,694.66	260,246,107.35	1,837,676,802.01
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	10,436.08	-	-	-	-	-	-	-	10,436.08	9,800,000.00	9,810,436.08
1. Common shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	9,800,000.00	9,800,000.00
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	10,436.08	-	-	-	-	-	-	-	10,436.08	-	10,436.08
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-	-1,800,269,230.00	-5,418,939.95	-1,805,688,169.95
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-	-1,800,269,230.00	-	-
2. Accrual of general risk reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-	-1,800,269,230.00	-5,418,939.95	-1,805,688,169.95
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

January to June 2024

Item	For the six months ended 30 June 2024														
	Equity attributable to owners of the parent Company										Total owners' equity				
	Other equity instruments	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
(V) 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 related earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to related earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Use in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VII) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Closing balance during the period	10,588,819,000.00	-	2,796,535,650.38	-	15,964,193,131.18	-	-224,917,871.12	315,200,141.66	2,280,949,087.60	39,397,744.27	14,843,234,686.49	-	46,604,940,630.46	2,811,004,554.15	48,935,945,184.61



# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

January to June 2024

For the six months ended 30 June 2023

Item	Equity attributable to owners of the parent Company											Minority shareholder interests	Total owners' equity		
	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
I. Closing balance of last year	10,589,819,000.00	-	2,796,935,660.38	-	15,964,088,097.89	-	-198,844,477.42	343,494,199.17	2,042,988,810.17	-	13,785,415,907.76	-	45,323,917,197.95	1,953,617,802.62	47,277,755,000.57
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	10,589,819,000.00	-	2,796,935,660.38	-	15,964,088,097.89	-	-198,844,477.42	343,494,199.17	2,042,988,810.17	-	13,785,415,907.76	-	45,323,917,197.95	1,953,617,802.62	47,277,755,000.57
III. Increase/(decrease) during the period (with '+ ' for decrease)	-	-	-	-	-465,916.80	-	-13,437,003.92	-88,034,229.58	4,272.90	-	23,573,245.62	-	-89,359,635.78	276,686,307.31	219,336,671.53
(I) Total comprehensive income	-	-	-	-	-	-	-13,437,003.92	-	-	-	1,823,946,746.52	-	1,810,409,742.80	285,370,069.01	2,095,779,811.61
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	-465,916.80	-	-	-	-	-	-	-	-465,916.80	-	-465,916.80
1. Common shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in owners' equity	-	-	-	-	-465,916.80	-	-	-	-	-	-	-	-465,916.80	-	-465,916.80
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



# PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

January to June 2024

Unit: Yuan Currency: RMB

Item	For the six months ended 30 June 2024										
	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	-	2,796,935,660.38	-	16,356,470,432.63	-	-26,293,082.07	26,363,291.27	2,280,999,087.60	2,265,194,657.44	34,289,476,047.25
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	10,589,819,000.00	-	2,796,935,660.38	-	16,356,470,432.63	-	-26,293,082.07	26,363,291.27	2,280,999,087.60	2,265,194,657.44	34,289,476,047.25
III. Increase(decrease) during the period (with "+" for decrease)	-	-	-	-	-	-	-3,274,542.21	-7,802,121.28	-	289,510,394.32	278,533,730.83
(I) Total comprehensive income	-	-	-	-	-	-	-3,274,542.21	-	-	2,089,879,624.32	2,086,605,082.11
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	-	-	-	-	-	-	-
1. Common shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-
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)

January to June 2024

Item	For the six months ended 30 June 2024										
	Other equity instruments				Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others								
(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. Appropriated in current period	-	-	-	-	-	-	-	-7,802,121.28	-	-	-7,802,121.28
2. Use in current period	-	-	-	-	-	-	-	9,185,125.10	-	-	9,185,125.10
(VI) Others	-	-	-	-	-	-	-	-16,987,246.38	-	-	-16,987,246.38
IV. Closing balance during the period	10,589,819,000.00	-	2,796,835,660.38	-	16,356,470,432.63	-	-29,557,624.28	18,561,163.99	2,280,999,067.60	2,554,795,051.76	34,568,011,778.08

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

January to June 2024

For the six months ended 30 June 2023

Item	Other equity instruments							Total owners' equity			
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury stocks	Other comprehensive income				
I.											
Closing balance of last year	10,589,819,000.00	-	2,796,835,660.38	-	16,356,470,432.63	-	-45,804,166.59	42,219,883.05	2,042,866,810.17	2,016,150,390.57	33,798,659,810.21
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II.											
Opening balance of the year	10,589,819,000.00	-	2,796,835,660.38	-	16,356,470,432.63	-	-45,804,166.59	42,219,883.05	2,042,866,810.17	2,016,150,390.57	33,798,659,810.21
III.											
Increase/(decrease) during the period (with "-" for decrease)	-	-	-	-	-	-	-1,037,654.35	-14,590,650.48	4,272.90	413,032,503.37	397,348,171.44
(I) Total comprehensive income	-	-	-	-	-	-	-1,037,654.35	-	-	2,213,306,006.27	2,212,268,351.92
(II) Capital contributions and withdrawals											
by shareholders	-	-	-	-	-	-	-	-	-	-	-
1. Common shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	4,272.90	-1,800,273,502.90	-1,800,269,230.00
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	4,272.90	-4,272.90	-
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)

January to June 2024

For the six months ended 30 June 2023

Item	Other equity instruments						Total owners' equity					
	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	
(VI) 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	-	-	-	-	-	-	-	-14,590,950.48	-	-	-	-14,590,950.48
1. Appropriated in current period	-	-	-	-	-	-	-	12,243,947.56	-	-	-	12,243,947.56
2. Use in current period	-	-	-	-	-	-	-	-26,834,898.04	-	-	-	-26,834,898.04
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Closing balance during the period	10,589,819,000.00	-	2,796,835,660.38	-	16,356,470,432.63	-	-47,001,820.94	27,628,732.57	2,042,973,083.07	2,429,182,893.94	34,196,007,981.65	

Person-in-charge of the Company: Lou Qiliang

Chief Financial Officer: LI Lianqing

Head of Accounting Department: ZHANG Shihu

# NOTES TO FINANCIAL STATEMENTS

30 June 2024

RMB

## III. CORPORATE INFORMATION

### 1. 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 20/F, CRSC Building A, 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### III. CORPORATE INFORMATION (CONTINUED)

#### 1. Company profile (Continued)

As of 30 June 2024, 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 28 August 2024.

#### 2. Scope of consolidated financial statements

Applicable  Not Applicable

As of 30 June 2024, 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	CRSC Research & Design Institute Group Co., Ltd. (北京全路通信信號研究設計院集團有限公司)	CRSCD
2	2	China Railway Signal & Communication International Co., Ltd. (中國通號國際有限公司)	CRSC International
3	2	CRSC Cables Company Ltd. (通號電纜集團有限公司)	CRSC Cables
4	2	CRSC Jishou Huatai Pipeline Project Management Co., Ltd. (吉首通號華泰管廊項目管理有限責任公司)	CRSC Huatai
5	2	CRSC Jishou Tengda Project Management Co., Ltd. (吉首通號騰達項目管理有限責任公司)	CRSC Tengda



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### III. CORPORATE INFORMATION (CONTINUED)

#### 2. Scope of consolidated financial statements (Continued)

No.	Level	Name of subsidiary	Abbreviation of subsidiary
6	2	CRSC (Beijing) Material Company Ltd. (通號(北京)物資有限公司)	CRSC Beijing
7	2	CRSC (Xi' an) Rail Industry Group Co., Ltd. (通號(西安)軌道交通工業集團有限公司)	MaterialCRSC Xi' an Industry Group
8	2	CRSC (Changsha) Rail Transit Control Technology Company Limited (通號(長沙)軌道交通控制技術有限公司)	CRSC Changsha Railway
9	2	Zhengzhou Xiudong Engineering Consulting Co., Ltd. (鄭州秀棟工程諮詢有限公司)	Zhengzhou Xiudong
10	2	CRSC (Zhengzhou) Electrification Bureau Group Co., Ltd. (通號(鄭州)電氣化局集團有限公司)	(Zhengzhou) Electrification Bureau Group
11	2	CASCO Signal Ltd. (卡斯柯信號有限公司)	CRSC CASCO
12	2	CRSC International Holdings Company Limited (通號國際控股有限公司)	CRSC International Holdings
13	2	CRSC (Jiangsu) Smart City Construction & Development Co., Ltd. (通號(江蘇)智慧城市建設開發有限公司)	CRSC Jiangsu Smart
14	2	CRSC Innovation Investment Co., Ltd. (通號創新投資集團有限公司)	Innovation Investment
15	2	CRSC Engineering Group Company Ltd. (通號工程局集團有限公司)	CRSCE
16	2	CRSC Construction Group Co., Ltd. (通號建設集團有限公司)	CRSC Construction
17	2	CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	CRSCC
18	2	CRSC Urban Rail Transit Technology Co., Ltd. (通號城市軌道交通技術有限公司)	Urban Rail Transit
19	2	China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd. (中國鐵路通信信號上海工程局集團有限公司)	CRSCS
20	2	CRSC Group Finance Limited (通號集團財務有限公司)	CRSC Finance

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".

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 1. 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.

#### 2. 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 30 June 2024, and the consolidated and the Company’s financial performance and cash flows from January to June in 2024.

#### (II) Accounting period

The accounting year is from 1 January to 31 December in calendar year. The accounting period of the financial statements is from 1 January to 30 June 2024.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

The functional currency of the Company is RMB.

#### (V) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (VI) Judgement criterion of control and preparation method of consolidated financial statements

Applicable  Not Applicable

##### 1. *Judgement criterion 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)

#### (VI) Preparation method of consolidated financial statements (Continued)

##### 2. Consolidation procedure (Continued)

###### (1) Increase of subsidiaries or business

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 acquiree 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (VI) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (VI) Preparation method of consolidated financial statements (Continued)

##### 2. Consolidation procedure (Continued)

###### (3) Purchase of non-controlling interests of subsidiary

The difference between long-term equity investments acquired by the Company through purchase of minority interest and the subsidiary' s identifiable net assets attributable to the Company calculated continuously from the acquisition date (or the combination date) in accordance with the increased shareholding ratio shall be charged against stock premium within capital reserves in the consolidated balance sheet; when stock premium within capital reserves is insufficient to offset, the retained earnings shall be adjusted.

###### (4) Partial disposal of equity investments in subsidiaries without losing control

Share premium in the capital reserve under the consolidated balance sheet will be adjusted at the difference between the proceeds achieved from the partial disposal of equity investments in subsidiaries and the share of net assets of subsidiaries attributable to the Company corresponding to the disposal of long-term equity investments and calculated constantly from the acquisition date or combination date without losing the control rights. Where the share premium in capital reserve is insufficient to offset, retained earnings will be adjusted.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (VII) 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 venture 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. (XVIII) Long-term equity investments."



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (VIII) 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.

#### (IX) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (X) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (X) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (X) Financial instruments (Continued)

##### 2. Recognition basis and measurement method

- (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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (X) 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 payable, accounts payable, other payables, 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 in relation to 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (X) Financial instruments (Continued)

##### 3. *Recognition basis and measurement method in relation to derecognition and transfer of financial assets (Continued)*

In the event that the Company and the counterparty revise or renegotiate the contract and constitute substantial amendments, the confirmation for the original financial asset shall be terminated, and a new financial asset shall be confirmed in accordance with the revised clauses.

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 derecognition, 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (X) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (X) Financial instruments (Continued)

##### 6. *Testing method and accounting treatment of depreciation of financial instruments*

The Company conducts impairment accounting of financial assets measured at amortized cost, financial assets (debt instruments) measured at fair value through other comprehensive income and finance guarantee contract on the basis of expected credit losses.

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default.

For receivables and contract assets resulting from transactions governed by the Accounting Standards for Business Enterprises No. 14 – Revenue, the Company consistently measures its allowance for losses at an amount equal to the expected credit loss over the entire life of the asset, whether or not it contains a significant financing component.

For leases receivable resulting from transactions governed by the Accounting Standards for Business Enterprises No. 21 – Leases, the Company consistently measures its allowance for losses at an amount equal to the expected credit loss over the entire life of the asset, whether or not it contains a significant financing component.

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

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition to determine the relative change in the risk of default over the expected life of the financial instrument. Generally, once the overdue period is more than 30 days, the Company may consider that there is obvious increase in credit risk of such financial instrument, unless there is unambiguous evidence that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

The Company considers that the credit risk of the financial instrument has not increased significantly since initial recognition if the credit risk of a financial instrument on the balance sheet date.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (X) Financial instruments (Continued)

##### 6. *Testing method and accounting treatment of depreciation of financial instruments (Continued)*

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company measures its loss provision at the expected credit losses for the whole duration of the financial instrument; if the credit risk of the financial instrument has not significantly increased since the initial recognition, the Company measures its loss provision at the expected credit losses of the financial instrument within the next 12 months. The increase or reversal of the loss provision is included in the current profit or loss as an impairment loss or gain. For financial assets measured at fair value and whose changes are included in other comprehensive income (debt instruments), the Company recognizes its provision for loss in other comprehensive income, and includes its provision for impairment in profit or loss in current period, without reducing the carrying amount of the financial assets set forth in the balance sheet.

If there is objective evidence that there is credit loss for receivables, the Company shall make provision for impairment of the receivables on a single basis.

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.

#### (XI) Bills receivable

Applicable  Not Applicable

Please refer to Note V. (X) 6.

#### (XII) Accounts receivable

Method for determining and accounting of expected credit loss of accounts receivable

Applicable  Not Applicable

Please refer to Note V. (X) 6.

#### (XIII) Receivable for financing

Combination categories and determination basis for bad-debt provision by credit risk characteristics

Applicable  Not Applicable

Please refer to Note V. (X) 6.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XIV) Other receivables

Methods for determining and accounting of ECL of other receivables

Applicable  Not Applicable

Please refer to Note V. (X) 6.

#### (XV) Inventories

Applicable  Not Applicable

##### 1. *Classification and cost of inventories*

Inventories are classified into stock commodities, raw materials, semi-finished goods and work-in-progress, turnover materials, 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*

Upon dispatch, inventories are measured with 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XV) Inventories (Continued)

##### 5. *Recognition criteria and provision method of inventory falling price reserves*

On the balance sheet date, the inventories shall be valued 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.

#### (XVI) Contract assets

##### 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XVI) Contract assets (Continued)

##### 2. *Determination method and accounting treatment of expected credit losses of contractual assets*

Applicable  Not Applicable

The method of determining expected credit losses and accounting treatment for contract assets are detailed in Note "V. (X) 6. Testing method and accounting treatment of depreciation of financial instruments."

#### (XVII) Held for sale and discontinued operations

##### 1. *Held for sale*

Applicable  Not Applicable

Held-for-sale categories refer to a non-current asset or disposal group that is sold (including nonmonetary asset exchanges with commercial substance) but not used constantly and whose carrying amounts are recovered.

The Company classifies non-current assets or disposal groups that meet the following conditions as held-for-sale categories:

- (1) According to the practice of selling such assets or disposal groups in similar transactions, the sale can be made immediately in the current circumstances;
- (2) The sale is highly likely to occur. That is to say, if the Company has made a resolution on a sale plan and obtained firm purchase commitments, the sale is expected to be completed within one year. The approval has been obtained according to relevant regulations that require the approval of relevant authorities or regulatory departments of the Company before the sale.

For non-current assets classified as held for sale (excluding financial assets, deferred tax assets, assets formed from employee compensation) or disposal groups, if their carrying amount is higher than the net amount of fair value less disposal charges, their carrying amount shall be written down to the net amount of fair value less disposal charges. The write-down amount is recognized as the asset impairment loss, which is included in the profit and loss in the current period, and the provision for impairment is made for the held-for-sale assets.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XVII) Held for sale and discontinued operations (Continued)

##### 2. *Discontinued operations*

Applicable  Not Applicable

Discontinued operations are a component that meet one of the following conditions and are distinguishable separately. The component has been disposed or classified by the Company as held for sale:

- (1) The component represents a separate principal business or a separate principal operation area;
- (2) The component is part of an associated plan to dispose a separate principal business or a separate principal operation area;
- (3) The component is a subsidiary acquired exclusively for resale.

Profit and loss from continuing operations and discontinued operations shall be shown separately in the income statement. The impairment loss from discontinued operations, returned amount and other profits and losses from operations and disposal shall be reported as profit or loss from discontinued operations. For discontinued operations in the current period, the Company lists the information originally recognized as profit or loss from continuing operations as the profit or loss from discontinued operations in the comparable accounting period.

#### (XVIII) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XVIII) 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)

#### (XVIII) 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 ("other changes in shareholders' equity"), which should be included in shareholders' equity.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XVIII) 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 other changes in 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.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XVIII) Long-term equity investments (Continued)

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

###### (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.

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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XVIII) Long-term equity investments (Continued)

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

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

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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XIX) Investment properties

An investment property is a property held to earn rentals or for capital appreciation or for both purposes, which include a land use right that is leased out, a land use right held for transfer upon capital appreciation and a building that is leased out (including a building that used for rent after the completion of self-construction or development activities and a building under construction or development for future rental purpose).

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 measurement of investment properties. For the investment property measured under the cost model – the same depreciation policy as the Company's fixed assets is adopted for buildings for rent, and the same amortization policy as intangible assets is implemented for the land use right for rent.

#### (XX) 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 production of goods, service supply, leasing or 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;
- (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 part replaced, the carrying amount shall be derecognized; all other subsequent expenditures shall be included in the current profit or loss when incurred.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XX) Fixed assets (Continued)

##### 2. Depreciation method

Applicable  Not Applicable

Categories	Depreciation method	Useful life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	20-40	3-10	2.25-4.85
Machinery equipment	Straight-line method	5-10	3-10	9.00-19.40
Means of transportation vehicles	Straight-line method	5-8	3-10	11.25-19.40
Electronic equipment and others	Straight-line method	3-10	3-10	9.00-32.33

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.

The Company reviews the useful life, estimated net residual value of a fixed asset and the depreciation method applied at least once at each year-end, and make adjustments when necessary.

##### 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXI) Construction in progress

Applicable  Not Applicable

Construction in progress is recognised based on the actual construction expenditures incurred. It includes construction costs, installation costs, capitalised borrowing costs and expenditures necessary to be incurred before the construction in progress is ready for intended use, and other relevant expenditures. Construction in progress is transferred to fixed assets when the asset is ready for its intended use and provide for depreciation since next month.

#### (XXII) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXII) 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.

#### (XXIII) Biological assets

Applicable  Not Applicable

#### (XXIV) Oil and gas assets

Applicable  Not Applicable

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### (XXV) Right-of-use assets

Applicable  Not Applicable

The Company's right-of-use assets include houses and buildings, means of transportation vehicles.

On the commencement date of the lease term, the Company recognises its right to use the leased assets over the lease term as right-of-use assets, the amount of which includes: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date of the lease term less any lease incentives already received; any initial direct costs incurred by the lessee; an estimate of costs to be incurred by the lessee in dismantling and removing the leased asset, restoring the site on which it is located or restoring the leased asset to the condition required by the terms and conditions of the lease. The Company depreciates the right-of-use assets by using the straight-line method. If it is reasonable to determine the ownership of the leased asset at the expiration of the lease term, the Company shall depreciate the leased assets over the remaining useful life. If it is not reasonable to determine that the ownership of the leased assets can be obtained at the expiry of the lease term, the Company shall depreciate the leased assets over the lease term or the remaining useful life of the leased assets, whichever is shorter.

The Company shall remeasure lease liabilities according to the present value of the changed lease payments and adjust the book value of the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets is reduced to zero, yet there is still a further reduction in the measurement of the lease liabilities, the Company recognises any remaining amount of the remeasurement in profit or loss for the period.

### (XXVI) Intangible assets

#### (1) *Measurement method of intangible assets*

##### (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

##### (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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXVI) Intangible assets (Continued)

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

Item	Estimated useful life (year)	Amortization method	Residual value rate (%)	Basis of estimated useful life
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.

The Company had no intangible assets with indefinite useful lives.

##### 3. Judgment basis for intangible assets with an uncertain useful life and procedure for reviewing their useful life

The Company does not have intangible assets with an uncertain useful life.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXVI) Intangible assets (Continued)

##### 4. *Accumulation range of research and development expenditure*

The Company's research and development expenses are directly related to the company's research and development activities, including salaries for research and development personnel, material costs, testing and processing fees, depreciation and amortization expenses, management fees, travel expenses, and other expenses. The salaries of research and development personnel are allocated to research and development expenses based on project hours. Shared equipment, production lines, and facilities used for research and development activities and other production and operation activities are allocated to research and development expenses based on hours or area proportions.

The Company distinguishes internal research and development project expenses into research stage expenses and development stage expenses.

Research stage expenses are recognized in the current period when incurred. Development stage expenses can be capitalized if they meet the following conditions: the intangible asset is completed and able to be used or sold with technical feasibility, the intention to complete and use or sell the intangible asset exists, the intangible asset generates economic benefits, including the ability to demonstrate the market for products produced using the intangible asset or the market existence of the intangible asset itself, if the intangible asset will be used internally, its usefulness can be demonstrated, there are sufficient technical, financial and other resources to complete the development of the intangible asset, and the expenditures attributable to the development stage of the intangible asset can be reliably measured. Development expenses that do not meet the above conditions are recognized in the current period.

The Company's research and development projects, after meeting the above conditions and going through technical and economic feasibility studies, enter the development stage after being approved.

Capitalized development stage expenses are presented in the balance sheet as development expenses and are transferred to intangible assets when the project reaches its intended use.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXVI) Intangible assets (Continued)

##### 5. *Specific standards dividing the research stage and the development stage*

The Company's expenditure on internal research and development projects is divided into the expenses in the research stage and that in the development stage.

The research stage refers to the stage of original planned investigation and research activities in order to acquire and understand new scientific or technical knowledge.

The development stage refers to the stage in which research achievements or other knowledge are applied to a specific plan or design to produce new or substantially improved materials, devices or products prior to commercial production or use.

##### 6. *Specific criteria for capitalisation of expenditures in development phase*

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;
- (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 research expenditures and development expenditures shall be included in current profit or loss.

## V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### (XXVII) Long-term assets impairment

Applicable  Not Applicable

For long-term equity investments, investment properties measured at cost, 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.

Goodwill arising in a business combination and intangible assets with an uncertain useful life, intangible assets that have not been ready for intended use shall be tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired.

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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXVIII) 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.

#### (XXIX) Contract liabilities

Methods for determining 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.

#### (XXX) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXX) 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 Company also participates in the Enterprise Annuity Plan of China Railway Signal & Communication Corporation Limited as approved by the relevant national authorities. 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXX) Employee compensation (Continued)

##### 2. Accounting treatment of post-employment benefits

###### (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.

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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXX) Employee compensation (Continued)

##### 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

#### (XXXI) 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;
- (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 out-ow of cash.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXI) Provisions (Continued)

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.

#### (XXXII) Share-based payment

Applicable  Not Applicable

#### (XXXIII) Preference shares, perpetual bonds and other financial instruments

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.

In the event that any perpetual bonds/preferred shares and other financial instruments issued by the Company meet one of the following conditions, the financial instruments as a whole or their components shall be classified as financial liabilities on initial recognition:

- (1) There are contractual obligations that the Company cannot unconditionally avoid to deliver cash or other financial assets;
- (2) Including contractual obligations to deliver a variable number of its own equity instruments for settlement;



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIII) Preference shares, perpetual bonds and other financial instruments (Continued)

- (3) Including derivative instruments settled in its own equity (such as debt-for-equity swap), and the derivative instruments cannot be settled by a fixed number of its own equity instruments in exchange of a fixed amount of cash or other financial assets;
- (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/preference shares that do not meet any of the above conditions shall be classified as equity instruments at initial recognition.

#### (XXXIV) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIV) Revenue (Continued)

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

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.
- 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIV) Revenue (Continued)

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

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 or services.
- 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.

The Company determines whether it is a principal or an agent at the time of the transaction based on whether it owns the “control” of the goods or services before the transfer of such goods or services to the customer. The Company is a principal if it controls the specified good or service before that good or service is transferred to a customer, and the revenue shall be recognized based on the total consideration received or receivable; otherwise, the Company is an agent, and the revenue shall be recognized based on the amount of commission or handling fee that is expected to be charged.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIV) Revenue (Continued)

#### 2. *Disclosure of specific revenue recognition and measurement methods according to business type*

Applicable  Not Applicable

##### (1) *Sale of goods agreement*

The sale of goods agreements entered into between the Company and its customers usually only include the performance obligations to transfer goods. The Company usually recognises revenue at a point in time when control of goods is transferred, after taking into account the following factors: obtaining a present right to payment for the goods, the transfer of the significant risks and rewards of ownership of the goods, the transfer of the legal title of the goods, the transfer of the physical possession of the goods, and the acceptance of the goods by the customer.

##### (2) *Service contract*

The service agreements entered into between the Company and its customers usually include performance obligations such as system integration. As the services provided by the Company during the performance of the agreement have no alternative use, and the Company has an enforceable right to payment for performance completed to date throughout the duration of the contract, the Company treats them as performance obligations satisfied over time, and recognises revenue by measuring the progress towards complete satisfaction of the performance obligations, unless the progress cannot be reasonably determined. The Company determines the progress of providing services using the input method. When the progress cannot be reasonably determined, if the costs incurred by the Company are expected to be recovered, the Company recognizes revenue to the extent of the costs incurred until the progress can be reasonably determined.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIV) Revenue (Continued)

#### 2. **Disclosure of specific revenue recognition and measurement methods according to business type (Continued)**

##### (3) *Construction contract*

The construction contracts between the Company and its customers usually include performance obligations such as provision of construction services. As the customers can control the assets under construction during the performance of the Company, the Company treats them as performance obligations satisfied over time, and recognises revenue by measuring the progress towards complete satisfaction of the performance obligations, unless the progress cannot be reasonably determined. The Company determines the progress of providing services based on costs incurred using the input method. When the progress cannot be reasonably determined, if the costs incurred by the Company are expected to be recovered, the Company recognizes revenue to the extent of the costs incurred until the progress can be reasonably determined.

##### (4) *Variable consideration*

Some of the contracts between the Company and its customers contain arrangements such as contract modification, claim and incentive, resulting in variable consideration. The Company determines the best estimate of the variable consideration according to the expected value or the most likely amount only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

##### (5) *Sale with return clause*

In connection with sale with return clause, when a customer obtains control of relevant goods, the Company recognises revenue in the amount of consideration to which the Company expects to be entitled for transferring the goods to the customer, and recognizes amounts expected to be refunded for the return as estimated liabilities. At the same time, the balance of the carrying value of the goods expected to be returned upon transfer less expected costs for the return of such goods (including impairment loss of the returned goods) shall be recognised as an asset (i.e. return costs receivable), and the net amount of the carrying value of the transferred goods upon the transfer less the aforesaid asset costs shall be transferred to cost. At each balance sheet date, the Company reassesses the future return of goods and re-measures the above assets and liabilities.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIV) Revenue (Continued)

#### 2. *Disclosure of specific revenue recognition and measurement methods according to business type (Continued)*

##### (6) *Significant financing component*

For contracts with a significant financing component, the Company determines the transaction price based on the amount payable that is assumed to be paid in cash when the customer obtains control of the goods. By using the discount rate that discounts the nominal amount of the contract consideration to the current selling price of the goods, the difference between the determined transaction price and the promised contract consideration shall be amortised over the contract period using the effective interest 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 need not to consider the existence of a significant financing component.

##### (7) *Warranty obligation*

According to the contractual clauses, legal provisions, etc., the Company provides warranties for the goods sold or assets constructed. For assurance-type warranties which provide customers with assurance that the goods sold comply with agreed-upon specifications, the Company performs accounting treatment in accordance with Note "V. (XXXI) Provisions." For service-type warranties, which provide a distinct service in addition to the assurance to customers that the goods sold comply with agreed-upon specifications, the Company considers it as a single performance obligation, and on the basis of the relative stand-alone selling price of the goods sold and service-type warranties provided, allocates part of the transaction price to the service-type warranties and recognizes revenue when the customers obtains control of the services. In assessing whether a warranty provides a customer with a distinct service in addition to the assurance that the goods sold comply with agreed-upon specifications, the Company considers factors including whether the warranty is required by law, the length of the warranty coverage period and the nature of the tasks that the Company promises to perform.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIV) Revenue (Continued)

#### 2. *Disclosure of specific revenue recognition and measurement methods according to business type (Continued)*

##### (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.

##### (9) *Contract modification*

When the construction contracts entered into between the Company and its customers are modified:

- 1) If the contract modification adds construction services and contract prices that are distinct, and the additional contract prices reflect the stand-alone selling prices of the additional construction services, the Company will account for the contract modification as a separate contract;
- 2) If the contract modification does not fall within the circumstances stated in item 1) above, and as at the date of the contract modification, the construction services transferred are distinct from the construction services not transferred, the Company will consider the contract modification as a termination of the existing contract, and account for the unperformed part of the existing contract and the contract modification together a new contract;
- 3) If the contract modification does not fall within the circumstances stated in item 1) above, and as at the date of the contract modification, the construction services transferred are not distinct from the construction services not transferred, the Company will account for the contract modification as if it were a part of the existing contract, and the effect of contract modification on the revenue recognized will be recognised as an adjustment to the revenue of the period at the date of the contract modification.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIV) Revenue (Continued)

#### 2. **Disclosure of specific revenue recognition and measurement methods according to business type (Continued)**

##### (10) *Franchise contract ("BOT Contract")*

The franchise activities under a 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 or an agent in accordance with the accounting policy of the principal/agent above, and if the Company is the principal, 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-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 rate and measured at amortised cost, and is eliminated upon the receipt of payment from the owner.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIV) Revenue (Continued)

#### 2. *Disclosure of specific revenue recognition and measurement methods according to business type (Continued)*

##### (12) *Interest income and expenses*

"Interest income" and "interest expenses" in the Company's income statement are generated from interest income and expenses on financial assets measured at amortized cost using the effective interest rate method, financial assets measured at fair value with changes recognized in other comprehensive income, and financial liabilities measured at amortized cost.

The effective interest rate method refers to the method of calculating the amortized cost of financial assets or financial liabilities and allocating interest income or expenses to each accounting period. The effective interest rate refers to the rate used to discount the estimated future cash flows of the financial asset or financial liability over its expected term to the carrying amount or amortized cost. In determining the effective interest rate, the Company estimates expected cash flows based on all contractual terms of the financial asset or financial liability, but does not consider expected credit losses. Fees, transaction costs, premiums, or discounts paid or received by the Company that are considered components of the effective interest rate are also taken into account when determining the effective interest rate.

For purchased or originated financial assets with credit impairment, the Company calculates the interest income based on the amortized cost and the effective interest rate adjusted for credit. The effective interest rate adjusted for credit refers to the rate used to discount the estimated future cash flows of the purchased or originated financial asset with credit impairment over its expected term to the amortized cost.

For purchased or originated financial assets that have not yet experienced credit impairment but become impaired in subsequent periods, the Company calculates the interest income based on the amortized cost and the effective interest rate.

##### (13) *Service fees and commission income*

Service fees and commission income are recognized under the accrual basis of accounting over the service period.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXV) 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 recognised 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 recognised 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)

#### (XXXVI) Government subsidies

Applicable  Not Applicable

##### 1. *Type*

Government subsidies are monetary assets or non-monetary assets 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);

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXVI) Government subsidies (Continued)

##### 3. Accounting treatment (Continued)

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 unrelated to the daily activities of the Company, they will be included in non-operating income) or used to offset relevant costs or losses.

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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXVII) 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 for not recognition of deferred tax assets and deferred tax liabilities 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), and such a transaction or event that the initially recognized assets and liabilities do not result in the equal amount of taxable temporary differences and deductible temporary differences.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXVII) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXVIII) 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*

##### (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;
- 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 Company 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. (XXVII) Long-term assets impairment".

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXVIII) Leases (Continued)

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

###### (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 purchase 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.

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.



### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXVIII) Leases (Continued)

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

###### (2) Lease Liabilities (Continued)

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.

###### (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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXVIII) Leases (Continued)

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

###### (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)

#### (XXXVIII) Leases (Continued)

##### 2. *The Company as lessor*

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 method for operating leases*

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 method for financing leases*

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. (X) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXVIII) Leases (Continued)

##### 2. The Company as lessor

###### (2) Accounting method for financing leases (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. (X) Financial Instruments.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXVIII) Leases (Continued)

##### 3. *Sale and leaseback transaction*

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

If the asset transfer in the sale and leaseback transaction is considered as sales, the Company, as the lessor, makes accounting treatment of 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 a financial asset whose amount equal to the transferred income. For the accounting treatment of financial assets, please refer to Note "V. (X) Financial Instruments".

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIX) 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.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIX) Hedge Accounting (Continued)

##### 2. *Designation of the hedge relationship and recognition of the effectiveness of hedging (Continued)*

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.
- (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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XXXIX) 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.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XL) 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; (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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLI) 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.
- Such orderly transaction is carried out in the principal market of relevant assets or liabilities. If the principal market does not exist, it is assumed that such transaction is carried out in the most advantageous market for relevant assets or liabilities.
- The assumption used by the market participant in order to maximize the benefits at the time of pricing such assets or liabilities.

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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLI) Fair Value Measurement (Continued)

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.

Input values used in the fair value measurement are divided into three levels:

- Level 1 input values are unadjusted quoted prices in the active market of identical assets or liabilities accessible on the measurement date.
- Level 2 input values refer to input values that are directly or indirectly observable for relevant assets or liabilities, other than Level 1 input values.
- Level 3 input values are unobservable input values for relevant 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 assets and liabilities of the Company measured at fair value mainly include accounts receivable financing, investments in other equity instruments, etc.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLII) Safety production and maintenance expenses

The Company shall withdraw the maintenance expenses in accordance with the relevant provisions of the Notice of the Ministry of Emergency Management and the Ministry of Finance on Issuing the Management Measures for the Withdrawal and Use of Enterprise Safety Production Expenses (CZ [2022] No.136).

The safety production and maintenance expenses shall be included in the cost of related products or current profit and loss at time of withdrawal and in the "special reserve" account.

Such safety production and maintenance expenses withdrawn as are used within the prescribed scope and belong to cost expenditure can directly write down the special reserve; if a fixed asset is formed, the expenditure incurred through the collection of "construction items under construction" account will be recognized as a fixed asset when the safety project is completed and reaches the intended use state; in addition, the special reserve is written down based on the costs that form the fixed assets, and the accumulated depreciation of the same amount is recognized. The fixed assets shall not be depreciated in subsequent periods.

#### (XLIII) Other significant accounting policies 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.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLIII) Other significant accounting policies and estimates (Continued)

##### 1. Judgements (Continued)

- (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.

- (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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLIII) Other significant accounting policies and estimates (Continued)

##### 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.

##### (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.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLIII) Other significant accounting policies and estimates (Continued)

##### 2. Estimation uncertainty (Continued)

###### (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.

###### (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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLIII) Other significant accounting policies and estimates (Continued)

##### 2. Estimation uncertainty (Continued)

###### (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.

###### (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.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLIV) Changes in significant accounting policies and estimates

##### 1. Changes in significant accounting policies

Applicable  Not Applicable

##### (1) Implementation of "Interpretation of Accounting Standards for Business Enterprises No. 17"

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 17 (Cai Kuai [2023] No. 21, hereinafter referred to as "Interpretation No. 17") on 25 October 2023.

##### 1 Classification of current and non-current liabilities

Interpretation No. 17 makes it clear that:

An enterprise that does not have a substantive right at the balance sheet date to defer settlement of a liability for more than one year after the balance sheet date should classify the liability as a current liability.

For liabilities arising from an enterprise's loan arrangement, the enterprise's right to defer settlement of the liability for more than one year after the balance sheet date may depend on whether the enterprise has complied with the conditions set forth in the loan arrangement (hereinafter referred to as the covenant conditions), and the enterprise, in determining the existence of its substantive right to defer the settlement of the liability, should consider only the covenant conditions that would have been followed on or before the balance sheet date, and should not take into account the covenant conditions to be followed by the enterprise after the balance sheet date.

Settlement of a liability when classifying the liquidity of the liability means that the enterprise discharges the liability by transferring cash, other economic resources (e.g. goods or services) or the enterprise's own equity instruments to the counterparty. If the terms of the liability result in the enterprise settling the liability by transferring its own equity instruments at the option of the counterparty, and if the enterprise classifies the above option as an equity instrument and recognizes it separately as an equity component of a compound financial instrument in accordance with the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments, such terms of the liability shall not affect the liquidity classification of the liability.

Such provisions of the Interpretation took effect on 1 January 2024, and enterprises shall adjust the information during the comparable period in accordance with the provisions of the Interpretation when implementing the provisions of the Interpretation for the first time. The implementation of such provisions has not had an impact on the Company.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLIV) Changes in significant accounting policies and estimates (Continued)

##### 1. Changes in significant accounting policies (Continued)

(1) Implementation of "Interpretation of Accounting Standards for Business Enterprises No. 17" (Continued)

##### 2 Disclosure of supplier finance arrangements

Interpretation No. 17 requires that when making note disclosures, an enterprise shall summarize and disclose information relating to supplier financing arrangements to assist users of the statements in assessing the impact of those arrangements on the enterprise's liabilities, cash flows, and the enterprise's exposure to liquidity risk. The impact of supplier financing arrangements should also be considered when identifying and disclosing information about liquidity risk. This disclosure requirement applies only to supplier financing arrangements. Supplier financing arrangements are transactions characterized by the provision of funds by one or more financing providers for the payment by an enterprise of amounts due to its suppliers, with an agreement that the enterprise will repay the financing providers on or after the date on which its suppliers receive the payments, in accordance with the terms and conditions of the arrangements. The supplier financing arrangements extend the payment period for the enterprise or advance the collection period for the enterprise's suppliers compared to the original payment due date. Such provisions of the Interpretation took effect on 1 January 2024, and enterprises are not required to disclose the information required by such provisions in the interim report when implementing the provisions of the Interpretation for the first time. The implementation of such provisions has not had a impact on the Company.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLIV) Changes in significant accounting policies and estimates (Continued)

##### 1. Changes in significant accounting policies (Continued)

(1) *Implementation of "Interpretation of Accounting Standards for Business Enterprises No. 17" (Continued)*

- 3 Accounting treatment related to sale and leaseback transactions (Tip: please delete this item if the enterprise has already implemented this provision early from 2023)

Interpretation No. 17 stipulates that a lessee, when subsequently measuring a lease liability arising from a sale and leaseback, shall not determine the lease payments or variable lease payments in a manner that would result in the recognition of gains or losses related to the right of use obtained from the leaseback. When an enterprise implements this provision for the first time, it shall make retrospective adjustments for sale and leaseback transactions conducted after the date of initial implementation of Accounting Standards for Business Enterprises No. 21 – Leases.

Such provisions of the Interpretation took effect on 1 January 2024, allowing enterprises to implement it earlier from the year of issuance. The Company implemented such provisions from 1 January 2024. The implementation of such provisions has not had a impact on the Company.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### (XLIV) Changes in significant accounting policies and estimates (Continued)

##### 1. Changes in significant accounting policies (Continued)

###### (2) Implementation of "Interim Provisions on Accounting Treatment Related to Enterprise Data Resources"

On 1 August 2023, the Ministry of Finance issued the Interim Provisions on Accounting Treatment Related to Enterprise Data Resources (Cai Kuai [2023] No. 11), which applies to the accounting treatment related to data resources that are recognized as assets, such as intangible assets or inventories in compliance with the relevant provisions of the Accounting Standards for Business Enterprises, as well as data resources legally owned or controlled by an enterprise, which are expected to bring economic benefits to the enterprise, but do not satisfy the conditions for recognition of an asset and are not recognized, and sets out the specific requirements for disclosure of data resources.

Such provisions took effect on 1 January 2024, and enterprises shall adopt the prospective application method. Expenditures related to data resources that have been expensed to profit or loss prior to the implementation of such provisions shall no longer be adjusted. The implementation of such provisions has not had a material impact on the Company's financial position and results of operations.

###### (3) Reclassification of guaranteed warranty expenses

In March 2024, the Ministry of Finance issued the Compilation of Guidelines for the Application of Accounting Standards for Business Enterprises 2024, which stipulates that guaranteed warranty expenses shall be included in operating costs. The implementation of such provisions has not had an impact on the Company.

##### 2. Changes in significant accounting estimates

Applicable  Not Applicable

##### 3. Adjustments to financial statements as at the beginning of the year upon initial adoption of new accounting standards or interpretation of standards since 2024

Applicable  Not Applicable

#### (XLV) Others

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VI. TAXATION (CONTINUED)

#### (I) Main taxes and tax rates (Continued)

##### **Disclosure statement of taxable entities subject to different enterprise income tax rates**

Applicable  Not Applicable

Name of taxable entity	Income tax rate (%)
CRSC INTERNATIONAL.(通號國際)	16.5
CRSC Guangdong, Hong Kong and Macau (Guangzhou) Transportation Technology Co., Ltd.(通號粵港澳(廣州)交通科技有限公司)	15
Beijing Modern Signal Engineering Consulting Co., Ltd. (北京現代通號工程諮詢有限公司)	15
Beijing Railway Signal Co., Ltd. (北京鐵路信號有限公司)	15
CRSCD (研究設計院)	15
Tianshui Railway Cable Co., Ltd. (天水鐵路電纜有限責任公司)	15
Jiaozuo Railway Cable Co., Ltd. (焦作鐵路電纜有限責任公司)	15
Changsha Railway (長沙軌道)	15
Shenyang Railway Signal Co., Ltd. (瀋陽鐵路信號有限責任公司)	15
Tianjin Railway Signal Co., Ltd. (天津鐵路信號有限責任公司)	15
Xi'an Railway Signal Co., Ltd.(西安鐵路信號有限責任公司)	15
Shanghai Railway Communication Co., Ltd.(上海鐵路通信有限公司)	15
Shanghai D'lota Electronic & Electrical Equipment Co., Ltd.(上海德意達電子電器設備有限公司)	15
Casco (卡斯柯)	15
Chengdu Railway Communication Equipment Co., Ltd. (成都鐵路通信設備有限責任公司)	15
Casco Signal (Chengdu) Co., Ltd. (卡斯柯信號(成都)有限公司)	15
Casco Signal (Zhengzhou) Co., Ltd. (卡斯柯信號(鄭州)有限公司)	15
Beijing Norrath Stantefon Communication Equipment Co., Ltd. (北京挪拉斯特芬通信設備有限公司)	15

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VI. TAXATION (CONTINUED)

#### (I) Main taxes and tax rates (Continued)

##### **Disclosure statement of taxable entities subject to different enterprise income tax rates (Continued)**

Name of taxable entity	Income tax rate (%)
CRSC Group (通信集團)	15
CRSC Communication & Information Group Shanghai Co., Ltd. (通號通信信息集團上海有限公司)	15
CRSC Information Industry Co., Ltd. (通號信息產業有限公司)	15
CRSC Smart City Research & Design Institute Co., Ltd. (通號智慧城市研究設計院有限公司)	15
Beijing National Railway Huachen Communication Technology Co., Ltd. (北京國鐵華晨通信科技有限公司)	15
Changsha Architectural Design Institute Co., Ltd. (長沙市建築設計院有限責任公司)	15
CRSC Engineering Bureau Group Construction Engineering Co., Ltd. (通號工程局集團建設工程有限公司)	15
Tongzhou Engineering Bureau Group Tianjin Equipment Technology Co., Ltd. (通號工程局集團天津裝備技術有限公司)	15
CRSC Engineering Bureau Group Beijing Research and Design Laboratory Center Co., Ltd. (通號工程局集團北京研究設計實驗中心有限公司)	15
Shanghai China Railway Communication & Signal Testing Co., Ltd. (上海中鐵通信信號測試 有限公司)	15
CRSC Wanquan Signal Equipment Co., LTD. (通號萬全信號設備有限公司)	15
Shanghai Xinhai Xintong Information Technology Co., Ltd. (上海新海信通信息技術有限公司)	15
Urban Rail Transit (城軌公司)	15
Xi'an Quanlutonghao Equipment Research Co., Ltd. (西安全路通號器材研究有限公司)	15
Xi'an Tonghao Railway Signaling Products Inspection Station Co., Ltd. (西安通號鐵路信號 產品檢驗站有限公司)	20
Kunming China Railway Innovation and New Construction Project Management Co., Ltd. (昆明中鐵創新建設項目管理有限公司)	20
CRSC (Jiangsu) Smart City Industry Research Institute Co., Ltd. (通號(江蘇)智慧城市產業 研究院有限公司)	20
Zhengzhou Zhongyuan Railway Railway Transportation Operation and Maintenance Co., Ltd. (鄭州中原鐵道軌道交通運營維管有限公司)	20
CASCO (Xi'an) Co., Ltd. (卡斯柯(西安)有限公司)	20
Casco (Wuhan) Co., Ltd. (卡斯柯(武漢)有限公司)	20
Casco (Xuzhou) Co., Ltd. (卡斯柯(徐州)有限公司)	20

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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) issued by the State Council, CRSCD, Beijing Railway Signal Co.Ltd., CASCO, CRSCC, Beijing Norrath Stantefon 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-Macao (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. 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.
- (2) Beijing Xiandai Signal & Communication Engineering Consulting 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 20 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.
- (3) Beijing Railway Signal 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 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.



### VI. TAXATION (CONTINUED)

#### (II) Tax preference (Continued)

##### 2. Tax preferential policy for high-new technology enterprises (Continued)

- (4) 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.
- (5) 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 2021 and obtained the updated high-new technology enterprise certificate on 16 September 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.
- (6) Jiaozuo Railway Cable Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2013. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2022 and obtained the updated high-new technology enterprise certificate on 23 December 2022. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.
- (7) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VI. TAXATION (CONTINUED)

#### (II) Tax preference (Continued)

##### 2. Tax preferential policy for high-new technology enterprises (Continued)

- (8) 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 July 2021 and obtained the updated high-new technology enterprise certificate on 14 December 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.
- (9) 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 2021 and obtained the updated high-new technology enterprise certificate on 9 October 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.
- (10) 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 2021 and obtained the updated certificate on 25 December 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. The company had submitted the high-tech enterprise qualification review materials to the competent authorities and paid enterprise income tax at the preferential tax rate of 15% in 2024.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VI. TAXATION (CONTINUED)

#### (II) Tax preference (Continued)

##### 2. Tax preferential policy for high-new technology enterprises (Continued)

- (11) 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.
- (12) Shanghai DEUTA Electronic & Electrical Equipment Co., Ltd. applied and was finally recognized as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2021 and obtained the updated high-new technology enterprise certificate on 13 September 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.
- (13) 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.
- (14) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VI. TAXATION (CONTINUED)

#### (II) Tax preference (Continued)

##### 2. Tax preferential policy for high-new technology enterprises (Continued)

- (15) CASCO Signal (Chengdu) Co., Ltd. applied in 2019 and was finally recognised as a high-new technology enterprise on 28 November 2019. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2022, and obtained the updated high-new technology enterprise certificate on 2 November 2022. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.
- (16) CASCO Signal (Zhengzhou) Co., Ltd. applied in 2021 and was finally recognised as a high-new technology enterprise and obtained the high-new technology enterprise certificate on 28 October 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.
- (17) Beijing Nera Stentofon Communication Equipment Co., Ltd. applied and was finally recognized 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 20 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.
- (18) CRSCC 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 30 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.

### VI. TAXATION (CONTINUED)

#### (II) Tax preference (Continued)

##### 2. Tax preferential policy for high-new technology enterprises (Continued)

- (19) CRSC Communication & Information Group Shanghai Company 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 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.
- (20) CRSC Information Industry 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 2021, and obtained the updated high-new technology enterprise certificate on 25 October 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.
- (21) CRSC Institute of Smart City Research & Design applied and was finally recognised as a high-new technology enterprise in 2018. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2021, and obtained the updated high-new technology enterprise certificate on 25 October 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.
- (22) Beijing Guo Tie Hua Chen Communication 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 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VI. TAXATION (CONTINUED)

#### (II) Tax preference (Continued)

##### 2. Tax preferential policy for high-new technology enterprises (Continued)

- (23) Changsha Architectural Design Institute 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 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.
- (24) CRSC Engineering Bureau Group Construction Engineering 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 2022, and obtained the updated high-new technology enterprise certificate on 18 October 2022. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.
- (25) CRSC Engineering Bureau Group Tianjin Equipment Engineering 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 2022, and obtained the updated high-new technology enterprise certificate on 15 November 2022. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.
- (26) CRSCE Beijing Research & Design Experiment Center Ltd. applied and was finally recognized as a high-new technology enterprise in 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2021, and obtained the updated high- new technology enterprise certificate on 21 December 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.

### VI. TAXATION (CONTINUED)

#### (II) Tax preference (Continued)

##### 2. Tax preferential policy for high-new technology enterprises (Continued)

- (27) 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 2022, and obtained the updated high-new technology enterprise certificate on 14 December 2022. The certificate is valid for three years. The Company shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.
- (28) 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 2021, and obtained the updated high-new technology enterprise certificate on 16 December 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.
- (29) 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 2021, and obtained the updated high-new technology enterprise certificate on 18 November 2021. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2021 to 2023. 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 2024.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VI. TAXATION (CONTINUED)

#### (II) Tax preference (Continued)

##### 2. Tax preferential policy for high-new technology enterprises (Continued)

(30) Urban Rail Transit 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 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.

##### 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

According 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 and Individual Business (SAT Announcement [2021] No. 8) 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. 13 [2022] of the MOF and the SAT), from 1 January 2022 to 31 December 2024, the portion of annual taxable income of a small low-profit enterprise which does not exceed RMB1 million shall be calculated at a reduced rate of 12.5% as taxable income amount and shall be subject to EIT at 20% tax rate. The portion of annual taxable income of a small low-profit enterprise which exceeds RMB1 million but does not exceed RMB3 million 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 Signal Product Inspection Station Co., Ltd., Kunming Zhongtie Innovation Construction Project Management Co., Ltd., Nantong (Jiangsu) Smart City Industry Research Institute Co., Ltd., Zhengzhou Zhongyuan Railway Rail Transit Operation & Maintenance Co., Ltd., CASCO (Xi'an) Co., Ltd., CASCO (Wuhan) Co., Ltd. and CASCO (Xuzhou) Co., Ltd. were eligible for the preferential tax policies for small low-profit enterprises.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VI. TAXATION (CONTINUED)

#### (II) Tax preference (Continued)

##### 5. Additional input VAT deduction policy

- (1) In accordance with the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant VAT Policies for Promoting the Resolution of Difficulties so as to Develop the Difficulty-Ridden Industries in the Service Sector (《關於促進服務業領域困難行業紓困發展有關增值稅政策的公告》) (Announcement [2022] No. 11), the additional tax credit policy for taxpayers in production and consumer-oriented service industries will extend to 31 December 2023. CRSCD, Beijing Xiandai Signal & Communication Engineering Consultant Ltd., Xi'an Tonghao Railway Signal Product Inspection Station Co., Ltd., CRSC Beijing Tendering, CRSC (Beijing) Tendering Company Ltd., CRSC Beijing Research & Design Experiment Center Ltd., Changsha Architectural Design Institute Co., Ltd., Shanghai Xinhai Information Transportation Information Technology Co., Ltd., and Shanghai China Railway Communication & Signal Testing Co., Ltd. enjoy the additional tax credit policy.
- (2) 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., 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., Chengdu Railway Communication Equipment Co., Ltd. and CRSC Communication & Information Group Shanghai Company Ltd. enjoy the input VAT credit policy.

#### (III) Others

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	278,250.36	455,776.05
Bank deposits	23,312,868,661.78	21,981,471,414.76
Other monetary funds	446,242,033.28	592,116,511.38
Deposits with a finance company	–	–
Total	<u>23,759,388,945.42</u>	<u>22,574,043,702.19</u>
Including: Total amount deposited abroad	<u>51,629,121.96</u>	<u>125,626,865.60</u>

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	23,759,388,945.42	22,574,043,702.19
Less: Monetary funds with unrestricted usage rights but not belonging to cash and cash equivalents	6,516,042,777.47	5,956,341,873.50
Less: Restricted monetary funds	<u>449,000,944.78</u>	<u>597,589,132.57</u>
Closing balance of cash and cash equivalents for the period/year	<u>16,794,345,223.17</u>	<u>16,020,112,696.12</u>

Other explanations:

As at 30 June 2024, the Company' s cash and bank balances deposited abroad were RMB51,629,121.96 (31 December 2023: RMB125,626,865.60).

As at 30 June 2024, the Company' s restricted cash and bank balances were RMB449,000,944.78 (31 December 2023: RMB597,589,132.57), please see Note "VII. (XXXI)".

Interest income from 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	164,301,341.61	188,802,439.78
Commercial acceptance notes	527,884,217.51	873,128,947.33
Less: Provision for bad debt	3,500,937.25	3,304,148.71
Total	688,684,621.87	1,058,627,238.40

**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	74,239,961.68
Commercial acceptance notes	161,878,417.58
Total	236,118,379.26

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	-	74,239,961.68
Commercial acceptance notes	-	161,878,417.58
Total	-	236,118,379.26

**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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 explanation:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (V) Accounts receivable (Continued)

##### 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	14,847,358,095.65	14,931,237,683.76
1 to 2 years	5,376,802,953.70	5,344,595,684.88
2 to 3 years	2,260,294,334.72	2,365,701,661.44
Over 3 years	2,078,042,956.87	1,839,881,498.95
Subtotal	24,562,498,340.94	24,481,416,529.03
Less: Provision for bad debt	1,691,360,244.16	1,605,868,922.94
Total	22,871,138,096.78	22,875,547,606.09

##### 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 provision (%)	Book value	Amount	Proportion (%)	Amount	Percentage of provision (%)	Book value
Single provision for bad debt	395,077,929.37	1.61	394,957,032.02	99.97	120,897.35	474,812,405.74	1.94	408,995,657.16	86.14	65,816,748.58
Provision withdrawn for bad debt on a combination basis	24,167,420,411.57	98.39	1,296,403,212.14	5.36	22,871,017,199.43	24,006,604,123.29	98.06	1,196,873,265.78	4.99	22,809,730,857.51
Total	24,562,498,340.94	/	1,691,360,244.16	/	22,871,138,096.78	24,481,416,529.03	/	1,605,868,922.94	/	22,875,547,606.09

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 2024**

Unit: Yuan Currency: RMB

Name	Closing balance			
	Gross carrying amount	Provision for bad debt	Percentage of provision (%)	Reasons for provision
Single provision for bad debt	395,077,929.37	394,957,032.02	99.97	-
Total	<u>395,077,929.37</u>	<u>394,957,032.02</u>	<u>99.97</u>	/

31 December 2023

Unit: Yuan Currency: RMB

Name	Closing balance			
	Gross carrying amount	Provision for bad debt	Percentage of provision (%)	Reasons for provision
Single provision for bad debt	474,812,405.74	408,995,657.16	86.14	-
Total	<u>474,812,405.74</u>	<u>408,995,657.16</u>	<u>86.14</u>	/

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (V) Accounts receivable (Continued)

##### 2. Disclosure by the method of provision for bad debts

Descriptions of single provision for bad debt:

Applicable  Not applicable

Provision withdrawn for bad debt on a combination basis:

Applicable  Not applicable

Items of provision on group basis: accounts receivable for which provision for bad debt is made based on a combination basis by credit risk characteristics

30 June 2024

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debt	Percentage of provision (%)
Within 1 year	14,847,358,095.65	73,354,912.79	0.49
1 to 2 years	5,376,802,953.70	268,620,821.84	5.00
2 to 3 years	2,197,330,390.35	216,945,600.51	9.87
Over 3 years	1,745,928,971.87	737,481,877.00	42.24
Total	24,167,420,411.57	1,296,403,212.14	5.36



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 2023

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debt	Percentage of provision (%)
Within 1 year	14,926,608,841.56	73,095,306.82	0.49
1 to 2 years	5,344,126,417.97	265,330,847.63	4.96
2 to 3 years	2,255,087,741.18	221,693,065.19	9.83
Over 3 years	1,480,781,122.58	636,754,046.14	43.00
Total	24,006,604,123.29	1,196,873,265.78	/

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 during the Reporting Period:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (V) Accounts receivable (Continued)

##### 3. Provision for bad debt

Applicable  Not applicable

30 June 2024

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Other changes	Closing balance
		Provision	Recovery or reversal	Write-off or cancellation		
Single provision for bad debt	408,995,657.16	116,666.89	13,959,758.19	195,533.84	-	394,957,032.02
Provision withdrawn for bad debt on a combination basis by credit risk characteristics	1,196,873,265.78	99,529,529.43	-	-	416.93	1,296,403,212.14
<b>Total</b>	<b>1,605,868,922.94</b>	<b>99,646,196.32</b>	<b>13,959,758.19</b>	<b>195,533.84</b>	<b>416.93</b>	<b>1,691,360,244.16</b>

31 December 2023

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Other changes	Closing balance
		Provision	Recovery or reversal	Write-off or cancellation		
Single provision for bad debt	62,885,832.31	346,109,824.85	-	-	-	408,995,657.16
Provision withdrawn for bad debt on a combination basis by credit	1,151,751,863.43	46,395,374.43	-	606,680.83	-667,291.25	1,196,873,265.78
<b>Total</b>	<b>1,214,637,695.74</b>	<b>392,505,199.28</b>	<b>-</b>	<b>606,680.83</b>	<b>-667,291.25</b>	<b>1,605,868,922.94</b>

Including significant amounts of provision for bad debts recovered or reversed in the period:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (V) Accounts receivable (Continued)

##### 4. Write-off of accounts receivable for the period

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Write-off amount
Accounts receivable actually written off	<b><u>195,533.84</u></b>

Write-off of other significant accounts receivable

Applicable  Not applicable

Explanation on the write-off of accounts receivable:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 2024, the total amount of top five accounts receivable and contract assets by closing balance of debtors amounted to RM4,204,591,381.31 in total, accounting for 6.81% of the total closing balance of accounts receivable and contract assets. The closing balance of the corresponding provision for bad debt amounted to RM33,259,630.29 in total.

As at 31 December 2023, the total amount of top five accounts receivable and contract assets by closing balance of debtors amounted to RMB4,650,273,505.05 in total, accounting for 7.40% of the total closing balance of accounts receivable and contract assets. The closing balance of the corresponding provision for bad debt amounted to RMB28,393,007.70 in total.

##### 6. Other explanation:

Applicable  Not applicable

As at 30 June 2024, the Company's accounts receivable of RMB571,757,056.49 and other non-current assets of RMB5,088,361,292.69 (31 December 2023: accounts receivable of RMB634,223,818.22, other non-current assets of RMB4,957,337,547.83), which were formed by the earning rights of the franchise pledged and all proceeds thereunder, were used to obtain long-term loans of RMB3,046,383,923.00 (31 December 2023: RMB3,194,933,469.48), please refer to Note "VII. (XXXI)" for details.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	Closing balance			Opening balance		
	Gross carrying	Provision for bad debt	Carrying amount	Gross carrying	Provision for bad debt	Carrying amount
Completed but not yet settled	37,151,361,554.46	132,219,751.98	37,019,141,802.48	38,367,354,739.19	138,615,122.56	38,228,739,616.63
Total	<u>37,151,361,554.46</u>	<u>132,219,751.98</u>	<u>37,019,141,802.48</u>	<u>38,367,354,739.19</u>	<u>138,615,122.56</u>	<u>38,228,739,616.63</u>

##### 2. Amount of and reason for significant change in carrying amount within the Reporting Period

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 2024

Unit: Yuan Currency: RMB

Item	Provision for the period	Recovery or reversal for the period	Cancellation or write-off for the period	Others	Reason
Completed but not yet settled	-6,398,932.34	-	-	3,561.76	-
Total	-6,398,932.34	-	-	3,561.76	/

2023

Unit: Yuan Currency: RMB

Item	Provision for the period	Recovery or reversal for the period	Cancellation or write-off for the period	Others	Reason
Completed but not yet settled	3,719,415.67	11,152,140.18	-	-5,818.24	-
Total	3,719,415.67	11,152,140.18	-	-5,818.24	/

Including significant amounts of provision for bad debts recovered or reversed in the period:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 explanation:

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	211,739,476.86	374,075,903.41
Other credit instruments measured at fair value through other comprehensive income	432,847,213.44	598,643,422.87
Total	644,586,690.30	972,719,326.28

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.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

Unit: Yuan Currency: RMB

<b>Item</b>	<b>Amount pledged at the end of the period</b>
Other credit instruments measured at fair value through other comprehensive income	<b>280,000.00</b>
Total	<b>280,000.00</b>

##### 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

<b>Item</b>	<b>Amount derecognized at the end of the period</b>	<b>Amount not derecognized at the end of the period</b>
Bank acceptance bills	<b>148,859,236.54</b>	–
Other credit instruments measured at fair value through other comprehensive income	<b>60,760,017.85</b>	280,000.00
Total	<b>209,619,254.39</b>	280,000.00

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 explanation**

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	925,227,785.58	79.33	875,818,869.02	80.90
1 to 2 years	157,128,151.31	13.47	136,923,665.28	12.65
2 to 3 years	27,651,877.18	2.37	36,388,648.89	3.36
Over 3 years	56,356,886.72	4.83	33,460,303.17	3.09
Total	1,166,364,700.79	100.00	1,082,591,486.36	100.00

##### (2). Top five prepayments by closing balance of prepaid parties

Applicable  Not applicable

As at 30 June 2024, the total amount of top five prepayments by closing balance of prepaid parties amounted to RMB133,057,656.13, accounting for 11.40% of the closing balance of the total prepayments.

As at 31 December 2023, the total amount of top five prepayments by closing balance of prepaid parties amounted to RMB169,810,543.29, accounting for 15.69% of the closing balance of the total prepayments.

Other explanation

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (IX) Other receivables

##### *Presentation of item*

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable	-	-
Dividends receivable	2,940,000.00	5,100,000.00
Other receivables	1,642,243,088.53	1,531,462,573.61
Total	<b>1,645,183,088.53</b>	1,536,562,573.61

Other explanation:

Applicable  Not applicable

##### *Interest receivable*

#### 1. *Classification of interest receivable*

Applicable  Not applicable

#### 2. *Significant overdue interest*

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (IX) Other receivables (Continued)

##### *Interest 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 debts*

Applicable  Not applicable

Significant amounts recovered or reversed to bad debts in the period:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (IX) Other receivables (Continued)

##### *Interest receivable (Continued)*

##### 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 explanation:

Applicable  Not applicable

##### *Dividends receivable*

##### 1. *Dividends receivable*

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Siemens Signaling Company Ltd.(西門子信號有限公司)	2,940,000.00	5,100,000.00
Subtotal	2,940,000.00	5,100,000.00
Less: Provision for bad debt	—	—
Total	<b>2,940,000.00</b>	5,100,000.00

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (IX) Other receivables (Continued)

##### *Dividends receivable (Continued)*

#### 2. **Significant dividends receivable aging over 1 year**

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

#### 4. **Provision for bad debts**

Applicable  Not applicable

Significant amounts recovered or reversed to bad debts in the period:

Applicable  Not applicable



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 explanation:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year	752,600,884.02	709,237,751.27
1 to 2 years	323,610,198.66	249,603,552.07
2 to 3 years	90,988,977.92	119,391,447.65
Over 3 years	690,174,208.82	661,081,074.54
Subtotal	1,857,374,269.42	1,739,313,825.53
Less: Provision for bad debt	215,131,180.89	207,851,251.92
Total	<b>1,642,243,088.53</b>	1,531,462,573.61

##### 2. Classified by nature

Applicable  Not applicable

Unit: Yuan Currency: RMB

Nature of accounts	Closing book balance	Opening book balance
Performance and tender bonds	874,104,491.68	1,139,241,481.87
Advance payments	93,448,766.62	82,487,631.93
Various deposits	150,780,553.24	115,248,856.80
Others	739,040,457.88	402,335,854.93
Sub-total	1,857,374,269.42	1,739,313,825.53
Less: Provision for bad debt	215,131,180.89	207,851,251.92
Total	<b>1,642,243,088.53</b>	1,531,462,573.61

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 2024

Unit: Yuan    Currency: RMB

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit- impaired)	
Provision for bad debt				
Amounts due as at				
1 January 2024	57,401,056.63	–	150,450,195.29	207,851,251.92
Amounts due for the period				
as at 1 January 2024	–	–	–	–
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
– Reversed to stage 2	–	–	–	–
– Reversed to stage 1	–	–	–	–
Provision for the period	1,346,478.75	–	5,933,450.22	7,279,928.97
Reversal for the period	–	–	–	–
Write-off for the period	–	–	–	–
Cancellation for the period	–	–	–	–
Other changes	–	–	–	–
Amounts as at 30 June 2024	58,747,535.38	–	156,383,645.51	215,131,180.89

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (IX) Other receivables (Continued)

##### *Other receivables (Continued)*

##### **3. Provision for bad debt (Continued)**

2023

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit- impaired)	Total
Amounts as at				
1 January 2023	13,397,307.04	14,991,612.87	137,759,716.93	166,148,636.84
Amounts due for the period				
as at 1 January 2023	-	-	-	-
- Transferred to stage 2	-	-	-	-
- Transferred to stage 3	-	-	-	-
- Reversed to stage 2	-	-	-	-
- Reversed to stage 1	-	-	-	-
Provision for the period	44,448,275.75	-	12,690,478.36	57,138,754.11
Reversal for the period	-	-14,991,612.87	-	-14,991,612.87
Write-off for the period	-	-	-	-
Cancellation for the period	-	-	-	-
Other changes	-444,526.16	-	-	-444,526.16
Amounts as at				
31 December 2023	<u>57,401,056.63</u>	<u>-</u>	<u>150,450,195.29</u>	<u>207,851,251.92</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (IX) Other receivables (Continued)

##### *Other receivables (Continued)*

#### 3. Provision for bad debt (Continued)

Explanation about obvious changes in gross carrying amounts of other receivables for which loss provision has changed in the period:

Applicable     Not applicable

January to June 2024

Unit: Yuan    Currency: RMB

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit- impaired)	
Amounts as at				
1 January 2024	1,263,682,670.67	–	475,631,154.86	1,739,313,825.53
Amounts due for the period				
as at 1 January 2024	–	–	–	–
– Transferred to stage 1	–	–	–	–
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	-7,416,812.75	–	7,416,812.75	–
Increase for the period	752,600,884.02	–	–	752,600,884.02
Derecognized	-634,540,440.13	–	–	-634,540,440.13
Other changes	–	–	–	–
Amounts as at 30 June 2024	<u>1,374,326,301.81</u>	<u>–</u>	<u>483,047,967.61</u>	<u>1,857,374,269.42</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (IX) Other receivables (Continued)

##### *Other receivables (Continued)*

#### 3. Provision for bad debt (Continued)

2023

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit- impaired)	Total
Amounts as at				
1 January 2023	1,195,253,560.79	46,245,677.67	494,334,933.82	1,735,834,172.28
Amounts due for the period				
as at 1 January 2023	-	-	-	-
- Transferred to stage 1	-	-	-	-
- Transferred to stage 2	-	-	-	-
- Transferred to stage 3	-	-	-	-
Increase for the period	660,069,348.51	-	49,168,402.76	709,237,751.27
Derecognized	-582,819,293.45	-46,245,677.67	-67,872,181.72	-696,937,152.84
Other changes	-8,820,945.18	-	-	-8,820,945.18
Amounts as at 31 December				
2023	<u>1,263,682,670.67</u>	<u>-</u>	<u>475,631,154.86</u>	<u>1,739,313,825.53</u>

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 2024

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Provision for bad debts	207,851,251.92	7,279,928.97	-	-	215,131,180.89
<b>Total</b>	<b>207,851,251.92</b>	<b>7,279,928.97</b>	<b>-</b>	<b>-</b>	<b>215,131,180.89</b>

2023

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Provision for bad debts	166,148,636.84	57,138,754.11	14,991,612.87	-	207,851,251.92
<b>Total</b>	<b>166,148,636.84</b>	<b>57,138,754.11</b>	<b>14,991,612.87</b>	<b>-</b>	<b>207,851,251.92</b>

Including significant amounts of provision for bad debts recovered or reversed in the period:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

Write-off other significant receivables:

Applicable  Not applicable

Explanation on the write-off of other receivables:

Applicable  Not applicable

##### **6. Top five debtors with the largest closing balance of other receivables**

Applicable  Not applicable

As at 30 June 2024, the total amount of top five debtors with the largest closing balance of other receivables amounted to RMB691,222,200.90 in total, accounting for 37.21% of the total closing balance of other receivables. The closing balance of the corresponding provision for bad debt amounted to RMB74,208,479.25 in total.

As at 31 December 2023, the total amount of top five debtors with the largest closing balance of other receivables amounted to RMB651,654,631.45 in total, accounting for 37.47% of the total closing balance of other receivables. The closing balance of the corresponding provision for bad debt amounted to RMB69,693,038.63 in total.

##### **7. Other receivables derecognized due to the transfer of financial assets**

Applicable  Not applicable

Other explanation:

Applicable  Not applicable



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	1,757,395,752.33	5,703,936.15	1,751,691,816.18	1,360,066,346.37	5,706,790.43	1,354,359,555.94
Turnover materials	5,680,778.43	–	5,680,778.43	4,944,439.46	–	4,944,439.46
Materials for consigned processing	12,612,369.53	–	12,612,369.53	11,814,536.24	–	11,814,536.24
Self-made semi-finished products and work-in process	1,035,198,450.62	449,834.14	1,034,748,616.48	905,803,423.79	481,398.37	905,322,025.42
Finished goods	832,222,214.26	102,073.61	832,120,140.65	929,844,941.40	102,073.61	929,742,867.79
<b>Total</b>	<b>3,643,109,565.17</b>	<b>6,255,843.90</b>	<b>3,636,853,721.27</b>	<b>3,212,473,687.26</b>	<b>6,290,262.41</b>	<b>3,206,183,424.85</b>

##### 2. Data resources confirmed as inventory

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	5,706,790.43	-2,854.28	-	-	-	5,703,936.15
Self-made semi-finished products and work-in process	481,398.37	-31,564.23	-	-	-	449,834.14
Finished goods	102,073.61	-	-	-	-	102,073.61
<b>Total</b>	<b>6,290,262.41</b>	<b>-34,418.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,255,843.90</b>

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	5,316,687.27	390,103.16	-	-	-	5,706,790.43
Self-made semi-finished products and work-in process	224,483.41	256,914.96	-	-	-	481,398.37
Finished goods	847.85	101,225.76	-	-	-	102,073.61
<b>Total</b>	<b>5,542,018.53</b>	<b>748,243.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,290,262.41</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 explanation:

Applicable  Not applicable

#### (XI) Assets held for sale

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	80,162,777.91	63,401,801.70
Less: Provision for bad debt	255,753.70	114,613.69
Total	79,907,024.21	63,287,188.01

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	903,683,201.25	881,448,099.10
Prepaid corporate income tax	91,176,258.63	25,438,654.20
Other prepaid tax	1,735,123.27	4,417,668.29
Total	996,594,583.15	911,304,421.59

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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
<b>Total</b>	<b>273,172,183.50</b>	<b>-</b>	<b>273,172,183.50</b>	<b>273,172,183.50</b>	<b>-</b>	<b>273,172,183.50</b>

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  $4.9\% \times 0.9 = 4.41\%$ ), 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 amount 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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
Receivables of "Build-Transfer" project	142,292,617.47	587,681.25	141,704,936.22	196,283,858.22	857,690.88	195,426,167.34
Project receivable	6,795,024,183.20	175,522,338.55	6,619,501,844.65	7,262,576,298.01	177,834,929.21	7,084,741,368.80
Subtotal	6,937,316,800.67	176,110,019.80	6,761,206,780.87	7,458,860,156.23	178,692,620.09	7,280,167,536.14
Less: Amount due within one year	21,852,659.58	4,342.55	21,848,317.03	33,452,249.26	4,342.55	33,447,906.71
Total	6,915,464,141.09	176,105,677.25	6,739,358,463.84	7,425,407,906.97	178,688,277.54	7,246,719,629.43

Note: 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.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 2024

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Provision for bad debt	178,688,277.54	-2,582,600.29	-	-	176,105,677.25
Total	178,688,277.54	-2,582,600.29	-	-	176,105,677.25

2023

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Provision for bad debt	173,728,280.45	4,959,997.09	-	-	178,688,277.54
Total	173,728,280.45	4,959,997.09	-	-	178,688,277.54

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 explanation:

Applicable  Not applicable

#### (XVII) Long-term equity investments

##### 1. Long-term equity investments

Applicable  Not applicable

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Carrying amount	Carrying amount	Provision for impairment	Carrying amount
Investments in joint ventures	149,932,394.11	—	149,932,394.11	146,986,709.27	—	146,986,709.27
Investments in associates	1,471,319,335.85	—	1,471,319,335.85	1,385,179,535.96	—	1,385,179,535.96
Total	<u>1,621,251,729.96</u>	<u>—</u>	<u>1,621,251,729.96</u>	<u>1,532,166,245.23</u>	<u>—</u>	<u>1,532,166,245.23</u>

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## 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 2024

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase/decrease for the period				Closing balance of provision for impairment	
					Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment		Other
I. Joint ventures										
Xi'an Schallbau Electric Corp., Ltd. (西安沙爾博特電氣有限公司)	132,822,671.03	-	-	5,270,000.00	-	-	-	-	-	138,092,671.03
CFSC Smart Data Technology (Beijing) Co., Ltd. (通智數據科技北京有限公司)	14,164,038.24	-	-	-884,315.16	-	-	1,440,000.00	-	-	11,839,723.08
Subtotal	146,986,709.27	-	-	4,385,684.84	-	-	1,440,000.00	-	-	149,932,394.11
II. Associates										
Guangdong Uniuost Financial Leasing Co., Ltd. (廣東學尉金融租賃股份有限公司)	364,085,991.06	-	-	7,318,171.40	-	-	-	-	-	371,404,162.46
CFSC Transhui Tram Co., Ltd. (天水通輝電車有限公司)	261,632,127.62	-	-	18,244,078.00	-	-	-	-	-	279,876,205.62

## 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	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase/decrease for the period					Closing balance	Closing balance of provision for impairment
					Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other		
Spring Integrated Pipeline Construction Co., Ltd. (四平市綜合管廊建設運營有限公司)	224,763,946.36	-	-	-	-	-	-	-	-	224,763,946.36	-
Tianshui Tram Co., Ltd. (天水有軌電車有限公司)	195,357,443.21	86,400.00	-	12,423,968.24	-	-	-	-	-	207,873,811.45	-
Henan Huazhou Railway Co., Ltd. (河南滑州鐵路有限公司)	151,431,380.11	-	-	-	-	-	-	-	-	151,431,380.11	-
Siemens Signalling Company Ltd. (西门子信託有限公司)	70,037,626.78	-	-	4,500,000.00	-	-	-	-	-	74,537,626.78	-
China Tietong Railway Operation Co., Ltd. (中鐵通運運營有限公司)	27,082,061.95	-	-	3,615,287.48	-	10,436.08	1,500,000.00	-	-	29,207,765.51	-
Shenzhen Railway Signal Technology (Shenzhen) Co., Ltd. (深鐵信號科技(深圳)有限公司)	24,507,080.50	-	-	-	-	-	-	-	-	24,507,080.50	-
Zhongguancun Chipsea Prioritizing Technology Co., Ltd. (中關村芯海靈藥科技有限公司)	21,450,280.62	-	-	-1,262,650.99	-	-	-	-	-	20,187,629.63	-

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase/decrease for the period					Closing balance	Closing balance of provision for impairment
					Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other		
Tianjin Jingui Huilai Technology Development Co., Ltd. (天津津軌匯泰科技發展有限公司)	12,926,931.95	-	-	1,066,225.30	-	-	-	-	-	13,993,157.25	-
CSCEC Fositan Joint Investment Co., Ltd. (唐山中鐵交通聯合投資有限公司)	12,616,233.38	-	-	-	-	-	-	-	-	12,616,233.38	-
Zhubai Huatong Private Equity Fund Management Enterprise (Limited Partnership) (珠海華通私募基金管理企業(有限合伙))	9,807,875.44	-	-	-925,551.57	-	-	-	-	-	8,882,323.87	-
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd. (浙江交投智能交通科技有限公司)	5,055,375.89	-	-	51,211.97	-	-	-	-	-	5,106,587.86	-
China Lantou (Shanghai) Digital Technology Co., Ltd. (中聯辰(上海)數字科技有限公司)	4,425,181.09	-	-	485,155.20	-	-	-	-	-	4,920,336.29	-

## 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	Increase in investment	Decrease in investment	Investment gains/losses recognized under equity method	Increase/decrease for the period					Closing balance of provision for impairment	
					Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other		Closing balance
Wuhan Intelligence Metro Technology Co., Ltd. (武汉智慧地铁科技有限公司)	-	42,011,068.78	-	-	-	-	-	-	-	42,011,068.78	-
Subtotal	1,385,179,535.96	42,097,468.78	-	45,531,895.03	-	10,436.08	1,500,000.00	-	-	1,471,319,335.85	-
Total	1,532,165,245.23	42,097,468.78	-	49,917,579.87	-	10,436.08	2,940,000.00	-	-	1,621,251,729.96	-

Note: 1. As at 30 June 2024 and 31 December 2023, 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)".

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### (XVII) Long-term equity investments (Continued)

#### 1. Long-term equity investments (Continued)

2023

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase/decrease for the period				Closing balance	Closing balance of provision for impairment
					Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment		
I. Joint ventures										
Xi'an Schallbau Electric Corp., Ltd. (西安沙爾博特電氣有限公司)	145,272,671.03	-	-	17,550,000.00	-	-	30,000,000.00	-	-	132,822,671.03
CFRC Smart Data Technology (Beijing) Co., Ltd. (通智數據科技北京有限公司)	13,254,871.05	-	-	909,167.19	-	-	-	-	-	14,164,038.24
Weizhou-Hangwen High-Speed Railway Investment Partnership (LLP) (溫州杭溫高鐵投資合夥企業有限合夥)	76,503,772.49	-	76,503,772.49	-	-	-	-	-	-	-
Subtotal	235,031,314.57	-	76,503,772.49	18,459,167.19	-	-	30,000,000.00	-	-	146,986,709.27



## 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	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase/decrease for the period				Closing balance	Closing balance of provision for impairment
					Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment		
II. Associates										
Guangdong Utrust Financial Leasing Co., Ltd. (廣東粵財金融租賃股份有限公司)	351,646,087.12	-	-	12,459,903.94	-	-	-	-	364,105,991.06	-
CRSC Transhui Tram Co., Ltd. (天水華誠有軌電車有限責任公司)	229,523,985.84	-	-	32,108,141.78	-	-	-	-	261,632,127.62	-
Sping Integrated Pipeline Construction Co., Ltd. (四平市聯合管線建設有限公司)	224,763,946.36	-	-	-	-	-	-	-	224,763,946.36	-
Tianshui Tram Co., Ltd. (天水有軌電車有限責任公司)	162,602,636.09	250,000.00	-	32,504,807.12	-	-	-	-	195,357,443.21	-
Henan Huazhou Railway Co., Ltd. (河南滑州鐵路有限公司)	149,457,187.20	-	-	1,974,192.91	-	-	-	-	151,431,380.11	-
Siemens Signalling Company Ltd. (西门子信號有限公司)	69,187,626.78	-	-	11,050,000.00	-	-	10,200,000.00	-	70,037,626.78	-
China Tietong Railway Operator Co., Ltd. (中鐵通車運營有限公司)	19,652,932.24	-	-	8,814,532.50	114,597.21	-	1,500,000.00	-	27,082,061.95	-

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## 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	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase/decrease for the period					Closing balance	Closing balance of provision for impairment
					Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Other		
Shenzhen Railway Signal Technology (Shenzhen) Co., Ltd. (深圳铁路信号技术有限公司)	-	24,600,000.00	-	7,080.50	-	-	-	-	-	24,607,080.50	-
Zhongguancun Chipsea Prioritizing Technology Co., Ltd. (中关村芯海睿科技投资有限公司)	20,200,843.45	-	-	1,416,254.89	-	-	166,817.72	-	-	21,450,260.62	-
Tianjin Jirui Huilai Technology Development Co., Ltd. (天津津穗海科技投资有限公司)	7,229,194.10	4,000,000.00	-	1,697,737.95	-	-	-	-	-	12,926,931.95	-
CSOEC Foshan Joint Investment Co., Ltd. (佛山中建交通联合投资有限公司)	12,616,233.38	-	-	-	-	-	-	-	-	12,616,233.38	-
Zhuihai Huatong Private Equity Fund Management Enterprise (Limited Partnership) (珠海华通私募基金管理企业(有限合伙))	9,387,875.44	-	-	420,000.00	-	-	-	-	-	9,807,875.44	-

## 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	Increase in investment	Decrease in investment	Investment gains/ losses recognized under equity method	Increase/decrease for the period				Closing balance	Closing balance of provision for impairment	
					Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment			Other
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd. (浙江交智聯交通科技有限公司)	4,847,111.89	-	-	208,264.00	-	-	-	-	-	5,055,375.89	-
China Liantou (Shanghai) Digital Technology Co., Ltd. (中聯技(上海)數字科技有限公司)	6,087,386.79	-	-	-1,662,557.70	-	-	-	-	-	4,425,181.09	-
Beijing Solong Electronic Technology Co., Ltd. (北京森隆電子科技有限公司)	2,775,454.43	-	2,379,308.22	-386,146.21	-	-	-	-	-	-	-
Subtotal	1,269,979,853.11	28,750,000.00	2,379,308.22	100,592,211.58	-	114,597.21	11,866,817.72	-	-	1,385,179,535.96	-
Total	1,505,010,167.68	28,750,000.00	78,883,080.71	119,041,378.77	-	114,597.21	41,866,817.72	-	-	1,532,166,245.23	-

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## 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

Unit: Yuan Currency: RMB

Item	Increase/decrease for the period				Closing balance	Dividend incomes recognized for the period	Accumulated gains recognized in other comprehensive income	Accumulated losses recognized in other comprehensive income	Reasons for being measured at fair value through other comprehensive income
	Opening balance	Increase in investment	Decrease in investment	Losses recognized in other comprehensive income for the period					
Beijing Yawan High Speed Railway Co., Ltd. (北京華商高速鐵路有限公司)	482,964,046.38	-	-	-	482,964,046.38	-	-	2,620,901.62	-
Guangzhou-Shenzhen Railway (Guangdong) Company Limited (廣深鐵路(廣東)有限公司)	99,365,383.52	-	-	-	99,365,383.52	-	-	630,616.48	-
Beijing Rail Transit Operation Control System National Engineering Research Center Co., Ltd. (北京軌道交通運行控制系統國家工程研究中心有限公司)	2,141,159.20	-	-	-	2,141,159.20	-	-	-	-

## VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### (XVIII) Other equity instrument investments (Continued)

#### 1. Other equity instrument investments (Continued)

Item	Increase/decrease for the period				Others	Closing balance	Dividend incomes recognized for the period	Accumulated gains recognized in other comprehensive income	Accumulated losses recognized in other comprehensive income	Reasons for being measured at fair value through other comprehensive income
	Increase in investment	Decrease in investment	Gains recognized in other comprehensive income for the period	Losses recognized in other comprehensive income for the period						
Hunan Maglev Group Co., Ltd. (湖南磁浮集團股份有限公司)	-	-	-	-	-	115,000,000.00	-	15,000,000.00	-	-
Lunan High Speed Railway Co., Ltd. (湖南高速鐵路股份有限公司)	-	-	-	-	-	383,609,832.79	-	13,972,298.79	-	-
Taizhou-Hengshachi High-Speed Railway Investment Management Partnership (LLP) (台州紹台高速鐵路管理合夥企業(有限合夥))	-	-	-	-	-	140,205,864.05	-	-	7,024,601.95	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,223,290,285.94</b>	<b>-</b>	<b>28,972,298.79</b>	<b>10,276,120.05</b>	<b>/</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XVIII) Other equity instrument investments (Continued)

##### 2. *Derecognition for the period*

Applicable  Not applicable

#### (XIX) Other non-current financial assets

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

Unit: Yuan Currency: RMB

Item	Buildings	Land use rights	Total
I. Original book value			
1. Opening balance	458,662,367.91	118,614,400.00	577,276,767.91
2. Increase during the current period	4,250,196.38	-	4,250,196.38
3. Decrease during the current period	-	-	-
(1) Disposal	-	-	-
(2) Others	-	-	-
4. Closing balance	<u>462,912,564.29</u>	<u>118,614,400.00</u>	<u>581,526,964.29</u>
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	204,259,594.32	37,703,947.35	241,963,541.67
2. Increase during the current period	8,395,594.61	1,371,052.63	9,766,647.24
(1) Provision or amortization	7,860,098.55	1,371,052.63	9,231,151.18
(2) Others	535,496.06	-	535,496.06
3. Decrease during the current period	-	-	-
(1) Disposal	-	-	-
(2) Others	-	-	-
4. Closing balance	<u>212,655,188.93</u>	<u>39,074,999.98</u>	<u>251,730,188.91</u>
III. Impairment provision			
IV. Carrying amount			
1. Closing carrying amount	<u>250,257,375.36</u>	<u>79,539,400.02</u>	<u>329,796,775.38</u>
2. Opening carrying amount	<u>254,402,773.59</u>	<u>80,910,452.65</u>	<u>335,313,226.24</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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. Explanation on transformation into investment properties measured at fair value**

Applicable  Not applicable

Other explanation

Applicable  Not applicable

**4. Impairment test of investment properties measured under cost method**

Applicable  Not applicable

Other explanation

Applicable  Not applicable

#### (XXI) Fixed assets

**Presentation of item**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	4,969,605,559.95	5,122,689,100.30
Disposal of fixed asset	—	—
Total	4,969,605,559.95	5,122,689,100.30



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXI) Fixed assets (Continued)

##### **Fixed assets**

1. Information about fixed assets

Applicable     Not applicable

Unit: Yuan    Currency: RMB

Item	Buildings	Machinery equipment	Means of transportation vehicle	Electronic equipment and others	Total
I. Original book value :					
1. Opening balance	5,377,965,730.71	1,404,930,017.35	431,177,601.12	1,710,224,879.68	8,924,298,228.86
2. Increase during the current period	320,382.28	8,100,201.80	317,380.76	52,077,062.02	60,815,026.86
(1) Acquisition	320,382.28	5,269,528.39	310,619.48	52,073,509.92	57,974,040.07
(2) Transferred from construction in progress	-	2,830,673.41	-	-	2,830,673.41
(3) Others	-	-	6,761.28	3,552.10	10,313.38
3. Decrease during the current period	13,553,096.38	5,520,739.32	4,639,754.74	33,033,220.36	56,746,810.80
(1) Disposal or retirement	9,302,900.00	5,520,739.32	4,639,754.74	33,033,220.36	52,496,614.42
(2) Other transfers	4,250,196.38	-	-	-	4,250,196.38
4. Closing balance	<u>5,364,733,016.61</u>	<u>1,407,509,479.83</u>	<u>426,855,227.14</u>	<u>1,729,268,721.34</u>	<u>8,928,366,444.92</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	1,301,049,544.51	940,271,525.01	426,960,221.72	1,133,295,719.26	3,801,577,010.50
2. Increase during the current period	73,673,135.44	51,651,305.58	4,514,979.17	74,743,291.74	204,582,711.93
(1) Provision	73,673,135.44	51,651,305.58	4,511,343.53	74,742,373.22	204,578,157.77
(2) Others	-	-	3,635.64	918.52	4,554.16
3. Decrease during the current period	8,419,984.14	4,324,928.48	4,619,973.75	30,066,069.15	47,430,955.52
(1) Disposal or retirement	7,884,488.08	4,324,928.48	4,619,973.75	30,066,069.15	46,895,459.46
(2) Others	535,496.06	-	-	-	535,496.06
4. Closing balance	<u>1,366,302,695.81</u>	<u>987,597,902.11</u>	<u>426,855,227.14</u>	<u>1,177,972,941.85</u>	<u>3,958,728,766.91</u>
III. Impairment provision					
1. Opening balance	-	32,118.06	-	-	32,118.06
4. Closing balance	-	<u>32,118.06</u>	-	-	<u>32,118.06</u>
IV. Carrying amount					
1. Closing carrying amount	<u>3,998,430,320.80</u>	<u>419,879,459.66</u>	-	<u>551,295,779.49</u>	<u>4,969,605,559.95</u>
2. Opening carrying amount	<u>4,076,916,186.20</u>	<u>464,626,374.28</u>	<u>4,217,379.40</u>	<u>576,929,160.42</u>	<u>5,122,689,100.30</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 2024 and 31 December 2023, none of main fixed assets for production and operation of the Company became temporarily idle.
- (2) As at 30 June 2024 and 31 December 2023, 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 RMB923,250,388.49 as of 30 June 2024. 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 2024.

##### 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 explanation:

Applicable  Not applicable

Disposal of fixed assets

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	522,452,059.85	400,246,410.75
Construction materials	—	—
Total	<u>522,452,059.85</u>	<u>400,246,410.75</u>

## VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### (XXII) Construction in progress (Continued)

#### 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	Gross carrying amount	Provision for impairment
CRSC Electrochemical Science and Technology Mansion Digitalization and Intelligent Upgrade of Autonomous R&D Bases for Infrastructure of Train Control System of Rail Transit	212,348,463.21	-	163,777,348.62	-
Industrial Project for Deeply Autonomous Train Control System of High Speed Railway	171,854,316.22	-	107,196,319.94	-
CRSC Changsha Industrial Park Project	32,384,245.03	-	30,231,326.58	-
Others	29,376,367.06	-	29,376,367.06	-
	76,488,666.33	-	69,665,048.55	-
Total	522,452,059.85	-	400,246,410.75	-

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### (XXII) Construction in progress (Continued)

#### 2. Changes in important projects under construction for the current period

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Project name	Budget amount	Opening balance	Increase during the period	Transferred into fixed assets during the period	Other decrease during the period	Closing balance	Proportion of project investment to budget (%)	Process of project (%)	Accumulated amount of interest capitalization	Including: interest capitalization amount for the period	Interest capitalization ratio for the period (%)	Source of funds
CRSC Electrochemical Science and Technology Mansion	600,000,000.00	163,777,348.62	48,571,114.59	-	-	212,348,463.21	35.39	35.39	-	-	-	Self-raised funds
Digitalization and Intelligent Upgrade of Autonomous R&D Bases for Infrastructure of Train Control System of Rail Transit	494,570,000.00	107,196,319.94	64,657,998.28	-	-	171,854,318.22	34.75	34.75	-	-	-	Self-raised funds
Industrial Project for Deeply Autonomous Train Control System of High Speed Railway	35,230,000.00	30,231,326.58	2,152,918.45	-	-	32,384,245.03	91.92	91.92	-	-	-	Self-raised funds
CRSC Changsha Industrial Park Project	900,000,000.00	29,376,367.06	-	-	-	29,376,367.06	3.26	3.26	-	-	-	Self-raised funds
Others	-	69,665,048.55	9,654,291.19	2,830,673.41	-	76,488,666.33	-	-	-	-	-	Self-raised funds
Total	-	400,246,410.75	125,036,322.51	2,830,673.41	-	522,452,059.85	/	/	-	-	-	/

#### 3. Provision for impairment of construction in progress made during the period

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXII) Construction in progress (Continued)

##### 4. Impairment test of construction in progress

Applicable  Not Applicable

Other explanation

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 explanation

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Means of transportation vehicles	Total
I. Original book value				
1. Opening balance	464,674,283.67	3,401,363.71	1,054,943.30	469,130,590.68
2. Increase during the current period	30,043,567.92	-	-	30,043,567.92
(1) New leases	29,543,138.92	-	-	29,543,138.92
(2) Revaluation adjustments	-	-	-	-
(3) Others	500,429.00	-	-	500,429.00
3. Decrease during the current period	43,155,626.04	-	-	43,155,626.04
(1) Disposal	43,155,626.04	-	-	43,155,626.04
(2) Others	-	-	-	-
4. Closing balance	451,562,225.55	3,401,363.71	1,054,943.30	456,018,532.56



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	Total
II. Accumulated depreciation				
1. Opening balance	344,019,691.94	226,757.59	248,184.53	344,494,634.06
2. Increase during the current period	34,460,631.27	550,090.59	22,902.74	35,033,624.60
(1) Provision	34,460,631.27	550,090.59	22,902.74	35,033,624.60
(2) Others	-	-	-	-
3. Decrease during the current period	40,697,034.03	-	-	40,697,034.03
(1) Disposal	40,697,034.03	-	-	40,697,034.03
(2) Others	-	-	-	-
4. Closing balance	337,783,289.18	776,848.18	271,087.27	338,831,224.63
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	113,778,936.37	2,624,515.53	783,856.03	117,187,307.93
2. Opening carrying amount	120,654,591.73	3,174,606.12	806,758.77	124,635,956.62

##### 2. Impairment test of right-of-use assets

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXVI) Intangible assets

##### 1. Information about intangible assets

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Patents	Software	Unfinished contract	Customer relationships	Total
i. Original book value						
1. Opening balance	2,448,480,404.53	1,215,424,538.05	491,694,984.34	169,921,119.24	244,325,834.78	4,569,846,880.94
2. Increase during the current period	-	14,207,572.52	1,130,400.23	-	-	15,337,972.75
(1) Acquisition	-	-	1,130,400.23	-	-	1,130,400.23
(2) Internal R&D	-	14,207,572.52	-	-	-	14,207,572.52
3. Decrease during the current period	6,606,105.21	-	-	-	-	6,606,105.21
(1) Disposal	6,606,105.21	-	-	-	-	6,606,105.21
4. Closing balance	2,441,874,299.32	1,229,632,110.57	492,825,384.57	169,921,119.24	244,325,834.78	4,578,578,748.48

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXV) Right-of-use assets (Continued)

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

Item	Land use rights	Patents	Software	Unfinished contract	Customer relationships	Total
II. Accumulated amortization						
1. Opening balance	545,513,040.00	606,874,216.97	415,568,377.20	169,921,119.24	244,325,834.78	1,982,202,588.19
2. Increase during the current period	25,453,768.67	69,949,100.12	18,583,196.25	-	-	113,986,065.04
(1) Provision	25,453,768.67	69,949,100.12	18,583,196.25	-	-	113,986,065.04
3. Decrease during the current period	627,294.52	-	-	-	-	627,294.52
(1) Disposal	627,294.52	-	-	-	-	627,294.52
4. Closing balance	570,339,514.15	676,823,317.09	434,151,573.45	169,921,119.24	244,325,834.78	2,095,561,358.71
III. Impairment provision	-	-	-	-	-	-
IV. Carrying amount						
1. Closing carrying amount	1,871,534,785.17	552,808,793.48	58,673,811.12	-	-	2,483,017,389.77
2. Opening carrying amount	1,902,967,364.53	608,550,321.08	76,126,607.14	-	-	2,587,644,292.75

Notes:

- (1) As of 30 June 2024 and 31 December 2023, the Company had no intangible assets with title restriction.
- (2) As at 30 June 2024, the intangible assets derived from internal research and development accounted for 0.31% of the balance of intangible assets (31 December 2023: 4.02%).
- (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 as at 30 June 2024.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXV) Right-of-use assets (Continued)

**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

**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 inconsistency between the aforesaid information and the information used by the previous impairment test or external information**

Applicable  Not Applicable

**Reasons for inconsistency between the information used by the Company for previous impairment tests and the facts for the corresponding years**

Applicable  Not Applicable

Other explanation:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXVII) Goodwill

##### 1. Original carrying amount of goodwill

Applicable     Not Applicable

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	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
(Zhengzhou) Electrification Bureau Group	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
<b>Total</b>	<b>305,324,128.58</b>	<b>-</b>	<b>-</b>	<b>305,324,128.58</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXVII) Goodwill (Continued)

##### 2. Provision for impairment of goodwill

Applicable  Not Applicable

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	5,616,900.00	-	-	-	-	5,616,900.00
Zhengzhou Zhong'an	16,664,700.00	-	-	-	-	16,664,700.00
Total	22,281,600.00	-	-	-	-	22,281,600.00

##### 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 explanation

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXVII) Goodwill (Continued)

##### 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 inconsistency between the aforesaid information and the information used by the previous impairment test or external information

Applicable  Not Applicable

Reasons for inconsistency between the information used by the Company for previous impairment tests and the facts for the corresponding years

Applicable  Not Applicable

##### 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 explanation

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXVIII) Long-term deferred expenses

Applicable  Not Applicable

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	55,688,360.12	6,440,603.27	12,471,035.07	—	49,657,928.32
Total	55,688,360.12	6,440,603.27	12,471,035.07	—	49,657,928.32



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	2,247,820,258.18	491,721,954.88	2,179,960,114.84	471,315,186.90
Recognition of lease liabilities	118,415,300.83	20,680,742.09	131,220,810.13	23,056,442.97
Unrealized profits in intra-group transactions	40,444,698.74	10,042,154.77	43,919,461.46	10,910,845.45
Deferred income	129,799,570.66	21,914,613.96	153,015,228.16	25,435,568.79
Estimated liabilities	45,345,406.39	7,101,300.15	53,361,704.01	8,094,918.45
Unpaid employee benefits payable	49,410,427.28	9,323,875.32	60,089,649.35	12,004,235.95
Others	85,289,142.41	19,914,762.33	93,331,187.82	22,699,641.57
<b>Total</b>	<b>2,716,524,804.49</b>	<b>580,699,403.50</b>	<b>2,714,898,155.77</b>	<b>573,516,840.08</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Depreciation of fixed assets	87,918,371.32	13,187,755.70	89,497,808.33	13,424,671.25
Recognition of right-of-use assets	117,187,307.93	20,301,908.74	124,635,956.62	22,154,502.91
Fair value adjustment of business combination not under common control	50,422,944.52	11,737,779.01	52,114,602.59	12,143,674.76
Floating profit and loss in portion of positions of copper futures	-	-	1,432,775.00	214,916.25
Others	151,277,238.19	37,748,396.63	120,623,018.14	30,153,058.18
<b>Total</b>	<b>406,805,861.96</b>	<b>82,975,840.08</b>	<b>388,304,160.68</b>	<b>78,090,823.35</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXIX) Deferred tax assets/liabilities (Continued)

##### 3. Deferred tax assets or liabilities stated on a net basis after offset

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Amount of deferred tax assets and liabilities offset at the end of the period	Closing amount of deferred tax assets or liabilities after the offset	Amount of deferred tax assets and liabilities offset at the beginning of the period	Opening amount of deferred tax assets or liabilities after the offset
Deferred tax assets	47,320,140.46	533,379,263.04	22,887,387.16	550,629,452.92
Deferred tax liabilities	47,320,140.46	35,655,699.62	22,887,387.16	55,203,436.19

##### 4. Breakdown of unrecognised deferred tax assets

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	53,242,291.55	38,128,880.80
Deductible loss	699,801,972.41	494,200,658.79
Total	753,044,263.96	532,329,539.59

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXIX) Deferred tax assets/liabilities (Continued)

##### 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
2024	16,533,026.26	16,533,026.26	/
2025	32,248,171.52	32,248,171.52	/
2026	82,106,851.14	82,374,945.76	/
2027	43,830,165.39	44,337,993.44	/
2028	33,117,181.49	23,961,642.68	/
2029	154,317,647.75	39,512,549.27	/
2030	33,034,023.51	41,231,965.89	/
2031	24,336,106.14	29,485,952.16	/
2032	51,582,297.70	101,934,286.38	/
2033	84,462,777.71	82,580,125.43	/
2034	144,233,723.80	-	/
Total	699,801,972.41	494,200,658.79	/

Note: The Company believes that it is not probable that future taxable income will be available to offset the deductible temporary differences and deductible losses described above and, therefore, no deferred tax assets have been recognized for these items.

Other explanation:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Project quality deposit	628,518,987.45	5,443,131.61	623,075,855.84	620,613,309.56	5,854,768.81	614,758,540.75
Prepayment for fixed assets	34,662,792.64	–	34,662,792.64	48,275,316.40	–	48,275,316.40
Receivables of "Build-Operate-Transfer" project	6,091,745,742.62	57,837,476.16	6,033,908,266.46	5,960,721,997.76	57,837,476.16	5,902,884,521.60
<b>Total</b>	<b>6,754,927,522.71</b>	<b>63,280,607.77</b>	<b>6,691,646,914.94</b>	<b>6,629,610,623.72</b>	<b>63,692,244.97</b>	<b>6,565,918,378.75</b>

Note: As at 30 June 2024, the Company's book value of other non-current assets of RMB5,088,361,292.69 and book value of receivables of RMB571,757,056.49 (31 December 2023: other non-current assets of RMB4,957,337,547.83 and receivables of RMB634,223,818.22), which were formed by the earning rights of the franchise pledged and all proceeds thereunder were used to obtain long-term loans of RMB3,046,383,923.00 (31 December 2023: RMB3,194,933,469.48). See Note "VII. (XXXI)" for details.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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			
	Book balance	Carrying amount	Type	Description of restriction	Book balance	Carrying amount	Type	Description of restriction
Cash and bank balances	449,000,944.78	449,000,944.78	Other	Acceptance bill deposits, guarantee letter deposits and others	597,589,132.57	597,589,132.57	Other	Acceptance bill deposits, guarantee letter deposits and others
Bills receivable	236,118,379.26	235,632,744.01	Pledge	Pledged borrowings	358,773,791.94	348,010,578.18	Pledge	Pledged borrowings
Receivables for financing	280,000.00	280,000.00	Pledge	Pledged borrowings	500,000.00	500,000.00	Pledge	Pledged borrowings
Accounts receivable	571,757,056.49	549,118,710.33	Pledge	Pledged borrowings	634,223,818.22	608,829,017.21	Pledge	Pledged borrowings
Other non-current assets	5,088,361,292.69	5,069,345,188.53	Pledge	Pledged borrowings	4,957,337,547.83	4,938,321,443.67	Pledge	Pledged borrowings
<b>Total</b>	<b>6,345,517,673.22</b>	<b>6,303,377,587.65</b>	/	/	<b>6,548,424,290.56</b>	<b>6,493,250,171.63</b>	/	/

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	<b>85,535,495.80</b>	126,672,665.87
Credit borrowings	<b>549,665,389.22</b>	2,324,960,481.18
Total	<b>635,200,885.02</b>	2,451,633,147.05

Note: As at 30 June 2024, bank acceptance bills, commercial acceptance bills and other credit instruments measured at fair value through other comprehensive income were pledged by the Company to obtain short-term loans of RMB85,535,495.80. (As at 31 December 2023, bank acceptance bills, commercial acceptance bills and other credit instruments measured at fair value through other comprehensive income were pledged by the Company to obtain short-term loans of RMB126,672,665.87.) Please see note "VII. (XXXI)".

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXXII) Short-term borrowings (Continued)

##### 2. *Overdue but unpaid short-term borrowings*

Applicable  Not Applicable

Other explanation:

Applicable  Not Applicable

#### (XXXIII) Financial liabilities held-for-trading

Applicable  Not Applicable

Other explanation:

Applicable  Not Applicable

#### (XXXIV) Derivative financial liabilities

Applicable  Not Applicable



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXXV) Bills payable

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Bank acceptance bills	858,292,304.04	856,775,260.38
Commercial acceptance bills	466,443,552.10	559,577,868.93
Total	1,324,735,856.14	1,416,353,129.31

Note: As of 30 June 2024, the Company did not have overdue but unpaid bills payable.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	<b>23,830,229,937.38</b>	29,679,263,560.27
1 to 2 years	<b>9,912,547,115.15</b>	10,716,501,363.79
2 to 3 years	<b>5,369,918,850.96</b>	4,548,280,124.74
Over 3 years	<b>5,734,221,014.16</b>	4,725,461,651.01
Total	<b>44,846,916,917.65</b>	49,669,506,699.81

##### 2. Major accounts payable aged over one year

Applicable  Not Applicable

As at 30 June 2024, the total of the top five accounts payable aged over one year amounted to RMB759,261,043.53.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 explanation:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	1,620,133,146.55	1,837,526,824.46
Incomplete project, settled	6,272,738,901.67	5,988,124,850.05
Total	7,892,872,048.22	7,825,651,674.51

##### 2. Major contract liabilities aged over one year

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXXVIII) Contract liabilities (Continued)

**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	-217,393,677.91	Collection at the beginning of the period was recognised as revenue in the current period
Incomplete project, settled	284,614,051.62	The newly added settlement amount in the current period is greater than the completion amount
Total	<b>67,220,373.71</b>	/

Other explanation:

Applicable     Not Applicable

The contract liabilities of RMB2,415,051,019.60 included in the carrying amount as at 31 December 2023 have been transferred to revenue from January to June 2024.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXXIX) Employee benefits payable

##### 1. Breakdown of employee benefits payable

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term benefits	634,609,870.75	2,002,630,093.29	1,868,025,545.05	769,214,418.99
II. Post-employment benefits (defined contribution plan)	29,189,317.02	342,889,582.82	340,049,719.66	32,029,180.18
III. Dismissal benefits	610,641.50	1,778,505.27	2,389,146.77	-
IV. Other benefits due within one year	36,607,000.00	-	14,739,000.00	21,868,000.00
Total	701,016,829.27	2,347,298,181.38	2,225,203,411.48	823,111,599.17

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXXIX) Employee benefits payable (Continued)

##### 2. Breakdown of short-term benefits

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses, allowances and subsidies	23,076,956.73	1,385,718,590.83	1,253,082,097.55	155,713,450.01
II. Employee welfare benefits	381,617,385.84	88,639,383.82	88,423,632.55	381,833,137.11
III. Social insurance premiums	54,522,762.71	194,398,819.14	190,104,142.44	58,817,439.41
Including: Medical insurance premiums	53,646,628.06	184,132,366.80	179,979,115.31	57,799,879.55
Industrial injury insurance premiums	462,143.04	7,948,581.66	7,862,492.80	548,231.90
Maternity insurance premiums	413,991.61	2,317,870.68	2,262,534.33	469,327.96
IV. Housing provident fund	3,529,354.44	195,318,793.36	195,636,903.40	3,211,244.40
V. Labor union funds and staff education funds	171,034,624.26	35,290,086.11	36,969,095.34	169,355,615.03
VI. Other short-term remunerations	828,786.77	103,264,420.03	103,809,673.77	283,533.03
<b>Total</b>	<b>634,609,870.75</b>	<b>2,002,630,093.29</b>	<b>1,868,025,545.05</b>	<b>769,214,418.99</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XXXIX) Employee benefits payable (Continued)

##### 3. Breakdown of defined contribution plan

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension insurance	18,603,134.39	259,118,227.73	258,673,742.72	19,047,619.40
2. Unemployment insurance	612,992.78	9,065,769.70	9,043,938.92	634,823.56
3. Enterprise annuity payment	9,973,189.85	74,705,585.39	72,332,038.02	12,346,737.22
Total	<u>29,189,317.02</u>	<u>342,889,582.82</u>	<u>340,049,719.66</u>	<u>32,029,180.18</u>

Other explanation:

Applicable  Not Applicable

#### (XL) Taxes payable

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	426,946,425.34	592,242,716.66
Enterprise income tax	315,334,058.82	286,153,473.19
Individual income tax	3,120,859.36	122,533,185.89
Urban maintenance and construction tax	11,796,888.33	20,562,792.07
Property tax	2,467,813.04	2,096,894.94
Educational surcharge	7,589,675.60	14,890,425.39
Land use tax	2,185,248.10	1,182,650.65
Others	361,532.59	984,842.68
Total	<u>769,802,501.18</u>	<u>1,040,646,981.47</u>



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLI) Other payables

##### 1. Presentation of item

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	–	–
Dividends payable	1,866,172,863.90	61,102,622.90
Other payables	1,440,983,960.04	1,674,417,947.97
Total	3,307,156,823.94	1,735,520,570.87

##### 2. Interests payable

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLI) Other payables (Continued)

##### 3. Dividends payable

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends of ordinary shares	<b>1,800,269,230.00</b>	–
China Railway Zhengzhou Group Co., Ltd.	<b>51,366,300.00</b>	51,366,300.00
DEUTA GROUP GmbH	<b>5,148,011.00</b>	–
Jishou Tengda Economic Construction and Investment Co., Ltd.	<b>3,751,533.00</b>	3,751,533.00
Jishou Huatai Underground Pipeline Investment and Construction Co., Ltd.	<b>2,091,266.00</b>	2,438,266.00
Taixing Zhiguang Technology Talents Plaza Management Co., Ltd.	<b>2,270,000.00</b>	2,270,000.00
Eltek AS	<b>607,958.40</b>	607,958.40
Zenitel Norway AS	<b>525,816.00</b>	525,816.00
Hangzhou Tianyue Win-Win Corporate Management Partnership (Limited Partnership)	<b>142,749.50</b>	142,749.50
Total	<b>1,866,172,863.90</b>	61,102,622.90

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLI) Other payables (Continued)

##### 4. Other payables

(1) Breakdown of other payables by nature

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deposits and margins	727,594,496.84	964,121,715.86
Current payments	219,623,214.24	314,829,882.38
Acquisition of fixed assets	59,806,444.62	166,232,517.61
Public facility maintenance funds	10,226,820.06	10,259,908.85
Others	423,732,984.28	218,973,923.27
Total	<b>1,440,983,960.04</b>	1,674,417,947.97

(2) Major other payables aged over one year or overdue

Applicable  Not applicable

As at 30 June 2024, the total of the top five other accounts payable aged over one year amounted to RMB147,860,000.00.

#### (XLII) Liabilities held for sale

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLIII) 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	<b>303,949,092.80</b>	341,991,400.00
Long-term payables due within one year	<b>38,922,850.53</b>	39,821,474.75
Lease liabilities due within one year	<b>51,030,233.93</b>	56,758,805.46
Total	<b>393,902,177.26</b>	438,571,680.21

Note: Please see the note "VII. (XLV)" for details of long-term borrowings, the note "VII. (XLVII)" for details of lease liabilities, and the note "VII. (XLVIII)" for details of long-term payables.

#### (XLIV) Other current liabilities

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Output VAT to be transferred	<b>740,039,093.91</b>	800,656,478.85
Estimated liabilities due within one year	<b>16,631,287.69</b>	26,247,747.82
Total	<b>756,670,381.60</b>	826,904,226.67

Note: Please see the note "VII. (L)" for details of the estimated liabilities.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLIV) Other current liabilities

Increase or decrease in short-term bonds payable:

Applicable  Not applicable

Other explanation:

Applicable  Not applicable

#### (XLV) Long-term borrowings

##### 1. Breakdown of long-term borrowings

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Balance	<b>3,233,383,923.00</b>	3,321,933,469.48
Pledged borrowings	<b>3,046,383,923.00</b>	3,194,933,469.48
Credit borrowings	<b>187,000,000.00</b>	127,000,000.00
Less: Long-term borrowings due within one year	<b>-303,949,092.80</b>	-341,991,400.00
Total	<b><u>2,929,434,830.20</u></b>	<u>2,979,942,069.48</u>

Other explanation

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLV) Long-term borrowings(Continued)

##### 1. Breakdown of long-term borrowings(Continued)

- Notes: (1) As at 30 June 2024, the Company's book value of other non-current assets of RMB5,088,361,292.69 and book value of accounts receivable of RMB571,757,056.49 (31 December 2023: other non-current assets of RMB4,957,337,547.83, and accounts receivable of RMB634,223,818.22) derived from the pledged income right in and to the franchise and all proceeds thereunder were used to obtain long term loans of RMB3,046,383,923.00 (31 December 2023: RMB3,194,933,469.48), including the amounts due within one year of RMB303,949,092.80.
- (2) As at 30 June 2024, the Company's credit borrowings amounted to RMB127,000,000.00 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) The above bank borrowings (including short-term borrowings) are made with variable annual interest rates ranging from 1.95% to 5.39% (31 December 2023: 1.95% to 5.39%).
- (4) For the details of long-term borrowings due within one year, please see Note "VII. (XLIII)".
- (5) As at 30 June 2024, the long-term borrowing balance due within one to two years was RMB65,000,000.00, the long-term borrowing balance due within two to five years was RMB302,000,000.00, and the long-term borrowing balance due over five years was RMB2,562,434,830.20. (As at 31 December 2023, the long-term borrowing balance due within one to two years was RMB28,000,000.00, the long-term borrowing balance due within two to five years was RMB363,000,000.00, and the long-term borrowing balance due over five years was RMB2,588,942,069.48.)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLVI) 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLVI) Bonds payable

##### 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 explanation:

Applicable  Not applicable



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**(XLVII) Lease liabilities**

Applicable     Not applicable

Unit: Yuan    Currency: RMB

<b>Item</b>	<b>Closing balance</b>	Opening balance
Lease liabilities	<b>118,415,300.83</b>	131,220,810.13
Reclassified as non-current liabilities due within one year	<b>51,030,233.93</b>	56,758,805.46
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Total	<b>67,385,066.90</b>	74,462,004.67
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

<b>Item</b>	<b>Closing balance</b>	Opening balance
Opening balance for the year	<b>133,214,515.89</b>	177,874,906.78
Increase for the year	<b>28,614,784.22</b>	35,900,438.15
Interest expense	<b>3,055,182.16</b>	7,046,965.35
Lease payments for the year	<b>-43,745,122.30</b>	-89,760,656.92
Modification of lease for the year	<b>2,724,059.14</b>	159,156.77
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Closing balance for the year	<b>118,415,300.84</b>	131,220,810.13
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

Note: For the details of lease liabilities due within one year, please see Note "VII. (XLIII)".

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLVIII) Long-term payables

##### *Presentation of item*

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	44,003,013.77	53,338,192.06
Special payables	—	—
Total	<u>44,003,013.77</u>	<u>53,338,192.06</u>

##### *Long-term payables*

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction quality guarantee deposits	82,925,864.30	93,159,666.81
Less: Long-term payables due within one year	<u>38,922,850.53</u>	<u>39,821,474.75</u>
Total	<u>44,003,013.77</u>	<u>53,338,192.06</u>

Note: For the details of long-term payables due within one year, please see Note "VII. (XLIII)".

##### *Special payables*

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLIX) **Long-term employee benefits payable**

Applicable     Not applicable

**1. Statement on long-term employee benefits payable**

Applicable     Not applicable

Unit: Yuan    Currency: RMB

<b>Item</b>	<b>Closing balance</b>	Opening balance
I. Post-employment benefits – Net liabilities under defined benefit plans	<b>559,454,000.00</b>	535,949,000.00
II. Dismissal benefits	<b>8,097,000.00</b>	8,609,000.00
III. Other long-term benefits	–	–
Less: Remunerations payable within one year	<b>21,868,000.00</b>	36,607,000.00
<b>Total</b>	<b>545,683,000.00</b>	507,951,000.00

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLIX) 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	544,558,000.00	543,452,000.00
II. The defined benefit cost included in the current profit and loss	7,317,000.00	12,584,000.00
1. Current service costs	—	-1,000.00
2. Past service costs	—	—
3. Settlement gains (losses indicated by "-")	96,000.00	-3,069,000.00
4. Net interests	7,221,000.00	15,654,000.00
III. The defined benefits cost included in other comprehensive income	30,415,000.00	26,068,000.00
1. Actuarial gains (losses indicated by "-")	30,415,000.00	26,068,000.00
2. Others	—	—
IV. Other changes	-14,739,000.00	-37,546,000.00
1. Consideration paid at settlement	—	—
2. Benefits paid	-14,739,000.00	-37,546,000.00
V. Closing balance	567,551,000.00	544,558,000.00
Less: Amount due within one year	21,868,000.00	36,607,000.00
VI. Amount due after one year	545,683,000.00	507,951,000.00

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLIX) Long-term employee benefits payable (Continued)

##### 2. Changes in defined benefit plans (Continued)

Plan assets:

Applicable  Not applicable

Net liabilities (net assets) under defined benefit plans

Applicable  Not applicable

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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLIX) Long-term employee benefits payable (Continued)

##### 2. Changes in defined benefit plans (Continued)

Plan assets: (Continued)

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 2024 and 31 December 2023.

The actuarial method and key assumption adopted for the calculation of the Company's supplementary retirement benefits and internal retirement payables in each year/period are as follows:

Name of the independent actuary: Towers Watson Consulting (Shenzhen) Co., Ltd. (韜睿惠悅管理諮詢深圳有限公司), Wu Haichuan;

Qualifications: Member of the Society of Actuaries, member of the American Academy of Actuaries, fellow of China Association of Actuaries and Chartered Enterprise Risk Analyst;

Actuarial method: The Company has adopted expected accumulated benefit unit method in its annual actuarial valuation, and the rolling method in its interim actuarial valuation;

Key assumption: The annual growth rate of average medical costs, the annual growth rate of unreimbursed funeral costs, the annual growth rate of supplementary pension benefits for retired personnel, the annual growth rate of testament grant benefits, the annual growth rate of benefits for internal retired personnel and the death rate remain unchanged.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (XLIX) Long-term employee benefits payable (Continued)

##### 2. Changes in defined benefit plans (Continued)

Plan assets: (Continued)

The following table shows the main actuarial assumptions used on the balance sheet date:

Item	Current period	Preceding period
Discount rate	<b>2.25%</b>	2.75%
Mortality rate	<b>Average mortality rate of residents in Mainland China</b>	Average mortality rate of residents in Mainland China
Average life expectancy	<b>15</b>	15
Annual growth rate of average medical expenses	<b>8.00%</b>	8.00%
Growth rate of supplementary pension benefits for retired personnel	<b>3.00%</b>	3.00%
Annual growth rate of benefits for internal retired personnel	<b>4.50%</b>	4.50%

Explanation on the material actuarial assumptions and sensitivity analysis results of defined benefit plans

Applicable  Not applicable

Other explanation:

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (L) Estimated liabilities

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Cause of formation
Product quality guarantee	43,062,970.78	32,782,949.15	/
Pending onerous contracts	10,112,537.79	10,112,537.79	/
Others	186,195.44	35,126.16	/
Less: Estimated liabilities due within one year	26,247,747.82	16,631,287.69	/
<b>Total</b>	<b>27,113,956.19</b>	<b>26,299,325.41</b>	<b>/</b>

	January to June 2024 Product quality guarantee (Note)	January to June 2024 Pending onerous contracts and others	January to June 2024 Total
Opening balance	43,062,970.78	10,298,733.23	53,361,704.01
Increase in this year	17,822,426.04	28,776.56	17,851,202.60
Reversal in this year	-1,149,605.87	–	-1,149,605.87
Used in this year	-26,952,841.80	-179,845.84	-27,132,687.64
Closing balance	32,782,949.15	10,147,663.95	42,930,613.10
Including: Estimated liabilities due within one year	16,596,161.53	35,126.16	16,631,287.69
	<b>16,186,787.62</b>	<b>10,112,537.79</b>	<b>26,299,325.41</b>

Notes:

- For the details of estimated liabilities due within one year, please see Note "VII. (XLIV)".
- 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.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LI) Deferred income

Deferred income situation

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Government grants related to assets	63,069,884.68	–	1,010,258.36	62,059,626.32
2. Government grants related to income	110,720,781.34	15,968,860.22	35,359,538.92	91,330,102.64
Total	173,790,666.02	15,968,860.22	36,369,797.28	153,389,728.96

Other explanation:

Applicable  Not applicable

#### (LII) Other non-current liabilities

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LIII) Share capital

Applicable  Not applicable

Unit: Yuan Currency: RMB

	Opening balance	New issue	Increase/decrease for the period (+/-)			Subtotal	Closing balance
			Bonus issue	Capital increase by capital surplus	Others		
Total	10,589,819,000.00	-	-	-	-	-	10,589,819,000.00

#### (LIV) 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

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LIV) 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

Unit: Yuan Currency: RMB

	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
Outstanding financial instruments								
2021 First Tranche of Medium-term Notes of China Railway Signal & Communication Corporation Limited	28,000,000	2,796,935,660.38	-	-	-	-	28,000,000	2,796,935,660.38
<b>Total</b>	<b>28,000,000</b>	<b>2,796,935,660.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,000,000</b>	<b>2,796,935,660.38</b>

Increase/decrease of other equity instruments in the period, the reasons thereof and the basis for related accounting treatment:

Applicable  Not applicable

Other explanation:

Applicable  Not applicable

The Company issued 2021 First Tranche of Medium-term Notes of China Railway Signal & Communication Corporation Limited in the amount of RMB2,800,000,000.00 on 15 December 2021. The net proceeds raised after deducting the underwriting expenses of RMB3,064,339.62 for the Medium-term Notes was RMB2,796,935,660.38. The Company recorded the Medium-term Notes with its net proceeds from the issuance net off underwriting expenses and included it in other equity instruments. The initial investment period is 3 years, and the interest rate of the initial investment period is fixed at 3.32%. The Company has the option to defer the interest payment. After the expiration, the Company has the option to renew; the reset rate during the renewal period jumped 300 basis points based on the annual interest rate applicable to the previous investment period.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LV) Capital reserve

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium	15,538,873,267.94	–	–	15,538,873,267.94
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	735,248.35	10,436.08	–	745,684.43
Others	406,663,539.95	–	–	406,663,539.95
Total	<b>15,964,182,695.10</b>	<b>10,436.08</b>	<b>–</b>	<b>15,964,193,131.18</b>

#### (LVI) Treasury stocks

Applicable  Not applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LVII) Other comprehensive income

Applicable     Not applicable

Unit: Yuan    Currency: RMB

Item	Opening balance	Amount for the period					Amount attributable to the parent company after tax	Amount Attributable to the minority shareholders after tax	Closing 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				
I. Other comprehensive income not reclassified into profit or loss	-218,701,865.94	-30,415,000.00	-	-	-	-30,415,000.00	-	-249,116,865.94	
Including: Changes of the re-measurement of the defined benefit plan	-232,724,000.00	-30,415,000.00	-	-	-	-30,415,000.00	-	-263,139,000.00	
Changes in fair value of other equity instrument investments	14,022,134.06	-	-	-	-	-	-	14,022,134.06	
II. Other comprehensive income reclassified to profit or loss	15,216,176.59	8,971,970.47	-	-	-	8,982,818.23	-10,847.76	24,198,994.82	
Hedging reserve arising from cash flows	7,627,843.49	9,322,293.35	-	-	-	9,322,293.35	-	16,950,136.84	
Differences on translation of foreign currency financial statements	1,416,920.24	327,629.53	-	-	-	327,629.53	-	1,744,549.77	
Changes in fair value of receivables for financing	6,171,412.86	-677,952.41	-	-	-	-667,104.65	-10,847.76	5,504,308.21	
<b>Total other comprehensive income</b>	<b>-203,485,689.35</b>	<b>-21,443,029.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-21,432,181.77</b>	<b>-10,847.76</b>	<b>-224,917,871.12</b>	

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LVIII) Special reserve

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Safety production expenses	<u>299,764,318.80</u>	<u>201,588,700.44</u>	<u>186,072,877.58</u>	<u>315,280,141.66</u>
Total	<u>299,764,318.80</u>	<u>201,588,700.44</u>	<u>186,072,877.58</u>	<u>315,280,141.66</u>

#### (LIX) Surplus reserve

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Statutory surplus reserve	<u>2,280,998,087.60</u>	<u>—</u>	<u>—</u>	<u>2,280,998,087.60</u>
Total	<u>2,280,998,087.60</u>	<u>—</u>	<u>—</u>	<u>2,280,998,087.60</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LX) Retained earnings

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Current period	Last year
Retained earnings at the end of last period before adjustment	<b>15,044,440,040.06</b>	13,785,475,907.76
Total amount of retained earnings at the beginning of the adjustment period (increase +, decrease -)	-	-
Retained earnings at the beginning of the period after adjustment	<b>15,044,440,040.06</b>	13,785,475,907.76
Add: Net profits attributable to owners of the parent during the current period	<b>1,599,063,876.43</b>	3,477,326,647.54
Less: Appropriation to statutory surplus reserve	-	238,029,277.43
Appropriation to discretionary surplus reserve	-	-
Accrual of general risk reserves	-	39,397,794.27
Dividend payables of ordinary shares	<b>1,800,269,230.00</b>	1,800,269,230.00
Dividend of ordinary shares converted into share capital	-	-
Other decrease	-	140,666,213.54
Retained earnings at the end of the period	<b>14,843,234,686.49</b>	15,044,440,040.06

Note: Pursuant to the resolution of the 2023 annual general meeting of the Company, the Company declared a dividend in respect of the remaining distributable profits for the year ended 31 December 2023 of RMB0.17 cash dividend per share (inclusive of tax) totaling RMB1,800,269,230.00 on 13 June 2024.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXI) 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	14,097,839,248.46	9,945,054,503.90	16,462,750,065.90	12,421,450,751.31
Other operations	152,470,037.26	121,795,885.59	170,260,134.07	60,706,613.51
Total	14,250,309,285.72	10,066,850,389.49	16,633,010,199.97	12,482,157,364.82

##### 2. Revenue generated from contracts

Unit: Yuan Currency: RMB

Categories	Rail transportation control system	Construction contracting	Others	Total
By region of operation:				
China	12,505,684,470.26	1,098,427,988.92	40,468,704.50	13,644,581,163.68
Other countries and regions	605,728,122.04	–	–	605,728,122.04
Total	13,111,412,592.30	1,098,427,988.92	40,468,704.50	14,250,309,285.72
By time of transfer of goods:				
Revenue recognised at a certain point of time	2,907,115,109.47	–	40,468,704.50	2,947,583,813.97
Revenue recognised within a certain period of time	10,204,297,482.83	1,098,427,988.92	–	11,302,725,471.75
Total	13,111,412,592.30	1,098,427,988.92	40,468,704.50	14,250,309,285.72



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXI) 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 2024		For the six months ended 30 June 2023	
	Revenue	Cost	Revenue	Cost
Rail transportation control system	13,111,412,592.30	9,036,553,603.06	13,450,058,390.29	9,669,752,586.98
Equipment manufacturing	2,907,115,109.47	1,872,124,497.16	2,472,735,477.33	1,600,845,802.86
System implementation	4,226,256,104.80	3,506,414,583.12	5,469,658,375.93	4,693,896,025.85
Design and integration	5,978,041,378.03	3,658,014,522.78	5,507,664,537.03	3,375,010,758.27
Construction contracting	1,098,427,988.92	1,019,066,340.88	3,134,631,115.38	2,791,452,207.32
Others	40,468,704.50	11,230,445.55	48,320,694.30	20,952,570.52
<b>Total</b>	<b>14,250,309,285.72</b>	<b>10,066,850,389.49</b>	<b>16,633,010,199.97</b>	<b>12,482,157,364.82</b>

Other explanation

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXI) 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 2024, 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.

##### 6. Changes in significant contracts or price adjustments of significant transactions

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**(LXII) 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	30,391,223.03	27,813,986.62
Educational surcharge	22,803,533.75	21,192,897.73
Property tax	35,828,842.12	32,034,169.49
Land use tax	7,498,105.29	6,458,242.40
Stamp duty	18,391,074.63	17,948,219.37
Others	2,034,990.44	1,473,544.43
Total	<b>116,947,769.26</b>	106,921,060.04

**(LXIII) Selling and distribution expenses**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Employee benefits	212,508,749.89	196,024,281.85
Sales service expenses	92,061,610.26	103,561,095.15
Transportation expenses	494,743.87	1,265,979.61
Tendering expenses	20,739,755.19	22,294,046.67
Quality guarantee deposits	13,380,495.39	8,136,510.11
Rental expenses	8,462,305.81	10,224,566.09
Others	13,460,745.59	1,534,689.23
Total	<b>361,108,406.00</b>	343,041,168.71

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXIV) General and administrative expenses

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Employee benefits	582,105,539.27	570,432,092.33
Depreciation and amortization expenses	135,245,306.55	124,452,557.44
Production safety expenses	54,535,634.97	93,389,205.28
Office and rental expenses	37,042,500.93	72,709,048.52
Travel costs and business entertainment expenses	28,826,491.43	29,204,518.73
Others	118,216,860.62	80,038,234.44
Total	955,972,333.77	970,225,656.74

#### (LXV) Research and development expenses

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Labor expenses	454,320,140.23	461,302,723.11
Materials expenses	40,426,880.57	57,202,498.67
Depreciation and amortization expenses	77,241,383.47	47,012,470.87
Testing and processing expenses	29,429,633.07	43,791,986.88
General and administrative expenses	4,324,420.40	22,869,288.11
Travel costs	15,669,791.70	13,817,692.91
Others	128,996,635.90	2,676,623.21
Total	750,408,885.34	648,673,283.76

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXVI) Finance costs

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Interest expense	24,415,241.78	45,916,542.28
Less: interest income	113,994,066.78	212,567,569.60
Exchange losses/(gains)	-11,705,634.26	1,045,558.55
Financial institutions commissions	21,742,492.65	22,220,968.57
Others	175,583.33	71,264.70
Total	<b>-79,366,383.28</b>	<b>-143,313,235.50</b>

#### (LXVII) Other income

Applicable  Not Applicable

Unit: Yuan Currency: RMB

By nature	Amount for the current period	Amount for the last period
Government grants	114,687,852.25	226,682,033.15
Additional deduction of input tax	12,490,550.51	223,419.01
Withholding of personal income tax fees	2,574,968.23	1,916,567.50
VAT directly exempted	3,633.62	-
Total	<b>129,757,004.61</b>	<b>228,822,019.66</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXVII) Other income (Continued)

Government grants recognized as other income:

Item	Amount for the current period	Amount for the last period
Government grants related to assets	–	106,773.50
Other grants	–	106,773.50
Government grants related to income	<b>114,687,852.25</b>	226,575,259.65
Refund of taxes	<b>72,658,249.14</b>	118,691,385.62
Other grants	<b>42,029,603.11</b>	107,883,874.03
Total	<b>114,687,852.25</b>	226,682,033.15

#### (LXVIII) 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	<b>49,917,579.87</b>	52,387,752.96
Investment income from disposal of long-term equity investments	–	13,796,227.51
Investment income of financial assets held for trading during the holding period	–	–
Dividend income generated from other equity instrument investments during the holding period	–	–
Interest income from debt investment during the holding period	<b>5,682,496.84</b>	4,551,081.06
Interest income from other debt investment during the holding period	–	–
Investment income from disposal of financial assets held for trading	–	–
Investment income from disposal of investment in other equity instruments	–	–
Investment income from disposal of other debt investment	<b>-6,278,004.10</b>	-499,663.79
Income/(loss) from futures transactions	<b>1,001,306.36</b>	-559,396.94
Income on debt restructuring	<b>2,119,200.14</b>	–
Total	<b>52,442,579.11</b>	69,676,000.80

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**(LXIX) Gains on net exposure hedges**

Applicable  Not Applicable

**(LXX) Gains on changes in fair value**

Applicable  Not Applicable

**(LXXI) Gains on disposal of assets**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

<b>Item</b>	<b>Amount for the current period</b>	Amount for the last period
Gains on disposal of fixed assets	-735,082.91	230,700.77
Gains on disposal of intangible assets	697,239.97	-
Total	-37,842.94	230,700.77

Other explanation:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXII) 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	<u>89,481,036.47</u>	<u>74,028,474.70</u>
Total	<u>89,481,036.47</u>	<u>74,028,474.70</u>

#### (LXXIII) 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	<u>-6,433,350.85</u>	<u>1,396,179.00</u>
Total	<u>-6,433,350.85</u>	<u>1,396,179.00</u>



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXIV) 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	<b>38,086.32</b>	963,325.21	38,086.32
Including: Gains on disposal of fixed assets	<b>38,086.32</b>	963,325.21	38,086.32
Gains on disposal of intangible assets	-	-	-
Gains on debt restructuring	-	-	-
Gains on exchanging non-monetary assets	-	-	-
Receiving of donations	<b>40,986.61</b>	-	40,986.61
Government grants	<b>903,484.86</b>	1,341,484.86	903,484.86
Compensation payments	<b>1,561,900.89</b>	2,111,392.26	1,561,900.89
Accounts payable	<b>6,680,977.95</b>	693,314.85	6,680,977.95
Others	<b>2,437,950.95</b>	7,327,146.74	2,437,950.95
<b>Total</b>	<b>11,663,387.58</b>	12,436,663.92	11,663,387.58

Other explanation:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXV) 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	<b>67,369.49</b>	501,369.52	67,369.49
Including: losses from disposal of fixed assets	<b>67,369.49</b>	501,369.52	67,369.49
losses from disposal of intangible assets	–	–	–
Losses from debt restructuring	–	–	–
Losses from exchange of non-monetary assets	–	–	–
External donation	<b>52,900.00</b>	39,700.00	52,900.00
Lawsuit compensation	–	665,571.39	–
Others	<b>2,952,569.80</b>	1,127,107.98	2,952,569.80
<b>Total</b>	<b>3,072,839.29</b>	<b>2,333,748.89</b>	<b>3,072,839.29</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXVI) 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	405,508,053.94	402,086,346.37
Deferred income tax expenses	-2,297,546.69	-18,895,194.95
Total	<b>403,210,507.25</b>	<b>383,191,151.42</b>

##### (2) Adjustment process for accounting profit and income tax

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period
Total profit	2,262,530,338.79
Income tax at the statutory/applicable income tax rate	565,632,584.70
Effect of different tax rates for subsidiaries	-174,117,275.00
Effect of adjustments in respect of income tax of previous periods	2,647,866.35
Effect of non-taxable income	-9,476,950.00
Effect of non-deductible cost, expenses and loss	14,464,220.22
Effect of utilization of deductible losses in deferred income tax assets not recognized in previous period	-224,406.74
Effect of deductible temporary differences or deductible losses in deferred income tax assets not recognized in the current period	62,130,705.63
Profit or loss attributable to joint ventures and associates	-10,238,788.60
Tax effect of additional deductions	-23,040,781.40
Others	-24,566,667.91
Income tax expenses	<b>403,210,507.25</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXVI) Income tax expenses (Continued)

##### (2) Adjustment process for accounting profit and income tax (Continued)

Other explanation:

Applicable  Not Applicable

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.

#### (LXXVII) Other comprehensive income

Applicable  Not Applicable

Please refer to Note VII. (LVII) for details.

#### (LXXVIII) 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	108,710,717.49	170,260,134.07
Government grants	12,334,687.10	115,131,974.44
Interest income	103,954,547.44	163,262,456.09
Others	715,032,498.90	373,124,572.30
Total	940,032,450.93	821,779,136.90

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXVIII) Items in statement of cash flows (Continued)

##### (1). Other cash related to operating activities (Continued)

Explanation on other cash received related to operating activities:

None.

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	131,294,529.75	140,358,089.78
Safety production expenses	21,631,086.80	153,879,684.36
Travel and business hospitality expenses	110,578,184.94	43,022,211.64
Others	996,971,220.52	1,124,780,987.66
Total	1,260,475,022.01	1,462,040,973.44

Explanation on other cash paid related to operating activities:

None.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXVIII) Items in statement of cash flows (Continued)

##### (2). Other cash related to investment activities

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	<u>7,048,479.76</u>	<u>5,028,765.68</u>
Total	<u>7,048,479.76</u>	<u>5,028,765.68</u>

Explanation on other cash received related to investment activities:

None.

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
Futures margin	<u>-</u>	<u>500,786.63</u>
Total	<u>-</u>	<u>500,786.63</u>

Explanation on other cash paid related to investment activities:

None.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXVIII) 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	<b>Amount for the current period</b>	Amount for the last period
Others	<b>30,855.00</b>	–
Total	<b>30,855.00</b>	–

Explanation on other cash received related to fund-raising activities:

None.

Other cash paid related to fund-raising activities

Applicable  Not Applicable

Unit: Yuan    Currency: RMB

Item	<b>Amount for the current period</b>	Amount for the last period
Rental expenses and others	<b>53,423,618.53</b>	39,556,414.81
Total	<b>53,423,618.53</b>	39,556,414.81

Explanation on other cash paid related to fund-raising activities:

None.

Changes in liabilities due to fund-raising activities

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXVIII) 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

#### (LXXIX) 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
<b>1. Adjustment of net profit to cash flow of operating activities:</b>		
Net profit	1,859,319,831.54	2,108,586,567.96
Add: Provision for impairment of assets	89,481,036.47	74,028,474.70
Credit impairment losses	-6,433,350.85	1,396,179.00
Depreciation of fixed assets, oil and gas assets, productive biological assets	204,578,157.77	187,701,744.29
Amortization of right-of-use assets	35,033,624.60	37,687,914.87
Amortization of intangible assets	113,986,065.04	112,726,439.87
Amortization of long-term prepaid expenses	12,471,035.07	13,591,210.22
Loss from disposal of fixed assets, intangible assets and other long-term assets (income as sign "-")	37,842.94	-230,700.77
Losses from damage and scrap of fixed assets (income as sign "-")	29,283.17	-461,955.69
Losses due to changes in fair value (income as sign "-")	-	-
Financial costs (income as sign "-")	151,223,302.49	38,162,733.35
Investment loss (income as sign "-")	-52,442,579.11	-69,676,000.80
Decrease in deferred income tax assets (increase as sign "-")	17,250,189.88	-21,066,087.01
Increase in deferred income tax liabilities (decrease as sign "-")	-19,547,736.57	2,170,892.06
Decrease in inventories (increase as sign "-")	-430,635,877.91	-591,541,104.45



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXIX) 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
Decrease in operating receivables (increase as sign “-”)	2,160,833,619.09	-1,049,492,650.45
Increase in operating payables (decrease as sign “-”)	-1,042,812,148.39	-1,630,607,556.88
Others	-119,654,731.12	-84,078,728.75
	<hr/>	<hr/>
Net cash flow generated from operating activities	<b>2,972,717,564.11</b>	-871,102,628.48
	<hr/>	<hr/>
<b>2. Significant investment and financing activities not involving cash receipts and payments:</b>	-	-
Capital transferred from debts	-	-
Convertible corporate bonds due within one year	-	-
Fixed assets acquired under financing leases	-	-
<b>3. Net change in cash and cash equivalents:</b>		
Closing balance of cash	16,794,345,223.17	15,853,410,758.06
Less: Opening balance of cash	16,020,112,696.12	17,241,658,431.27
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	<b>774,232,527.05</b>	-1,388,247,673.21
	<hr/>	<hr/>

##### (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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXIX) 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	<b>16,794,345,223.17</b>	16,020,112,696.12
Including: Cash on hand	<b>278,250.36</b>	455,776.05
Bank deposits available for payment	<b>9,310,015,075.03</b>	10,060,264,002.91
Other monetary funds available for payment	—	2,991,640.47
Funds deposited with the central bank that are available for payment	—	—
Deposit from other banks	<b>7,484,051,897.78</b>	5,956,401,276.69
Loans to other banks	—	—
II. Cash equivalents	—	—
Including: Bond investment due within three months	—	—
III. Closing balance of cash and cash equivalents	<b>16,794,345,223.17</b>	16,020,112,696.12
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 explanation:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXX) 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

#### (LXXXI) 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	–	–	216,979,524.28
Including: USD	<b>12,439,289.24</b>	7.1268	88,652,326.56
Euro	<b>6,280,542.31</b>	7.6617	48,119,631.02
HK Dollar	<b>4,113,548.92</b>	0.9127	3,754,353.83
Indian Rupee	<b>231,315.86</b>	0.0872	20,170.74
Others	<b>8,337,419,258.54</b>	–	76,433,042.13
Accounts receivable	–	–	116,320,081.45
Including: USD	<b>16,321,502.14</b>	7.1268	116,320,081.45
Euro	–	–	–
HK Dollar	–	–	–
Indian Rupee	–	–	–
Others	–	–	–

##### (2) 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### (LXXXII) Data resources

Applicable  Not Applicable

#### (LXXXIII) Others

Applicable  Not Applicable

### VIII. RESEARCH AND DEVELOPMENT EXPENSES

#### 1. By nature

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Labour expenses	491,841,919.01	529,620,042.81
Materials expenses	40,426,880.57	57,202,498.67
Testing and processing expenses	77,560,938.55	47,012,470.87
Depreciation and amortization expenses	29,687,873.39	43,791,986.88
Administrative expenses	4,745,852.64	22,869,288.11
Travel costs	15,669,791.70	13,817,692.91
Others	128,996,635.90	2,676,623.21
Total	788,929,891.76	716,990,603.46
Including: Expensed research and development expenditure	750,408,885.34	648,673,283.76
Capitalized research and development expenditure	38,521,006.42	68,317,319.70

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### VIII. RESEARCH AND DEVELOPMENT EXPENSES (CONTINUED)

#### 2. 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	
Development expenditure	179,725,096.60	95,774,348.06	-	14,207,572.52	57,253,341.64	204,038,530.50
Total	179,725,096.60	95,774,348.06	-	14,207,572.52	57,253,341.64	204,038,530.50

Significant capitalized research and development projects

Applicable  Not Applicable

Provision for impairment of research and development expenditure

Applicable  Not Applicable

Other explanation

Not Applicable.

#### 3. Significant acquired projects under development

Applicable  Not Applicable

### IX. CHANGES ON SCOPE OF CONSOLIDATION

#### 1. Business combination of entities not under common control

Applicable  Not Applicable

#### 2. Business combination of entities under common control

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### IX. CHANGES ON SCOPE OF CONSOLIDATION (CONTINUED)

#### 3. Reverse takeover

Applicable  Not Applicable

#### 4. 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

#### 5. 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

#### 6. Others

Applicable  Not Applicable

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## X. INTERESTS IN OTHER ENTITIES

### (I) Interests in subsidiaries

#### 1. Composition of enterprise group

Applicable  Not Applicable

Currency: RMB

Name of subsidiaries	Places of principal activities	Registered capital	Place of registration	Nature of business	Shareholding percentage of the Group (%)		Means of acquisition
					Direct	Indirect	
Innovation Investment	Beijing	5 billion	Beijing	Investment management	100.00	-	Incorporation through investment
CRSC Xi'an Industry Group	Xi'an	2.149 billion	Xi'an	Equipment manufacturing	100.00	-	Incorporation through investment
CRSCD	Beijing	1.36 billion	Beijing	Design and integration	100.00	-	Incorporation through investment
Shanghai Engineering Bureau	Shanghai	1.5 billion	Shanghai	System delivery and design integration	100.00	-	Incorporation through investment
CRSC Changsha Railway	Changsha	1.229 billion	Changsha	System delivery services	100.00	-	Incorporation through investment
CRSC Construction	Changsha	1.1 billion	Changsha	Construction contracting	100.00	-	Incorporation through investment
CRSCCE	Beijing	1.095 billion	Beijing	System delivery services	100.00	-	Incorporation through investment
CRSC International Holdings	Beijing	463 million	Beijing	Design and integration	100.00	-	Incorporation through investment
CRSC Cables	Zhengzhou	348 million	Zhengzhou	Equipment manufacturing	100.00	-	Incorporation through investment
CRSCC	Beijing	233 million	Beijing	Design and integration	100.00	-	Incorporation through investment
Urban Rail Transit	Beijing	100 million	Beijing	Design and integration	100.00	-	Incorporation through investment
CRSC Beijing Material	Beijing	35.00 million	Beijing	Construction project management	100.00	-	Incorporation through investment
CRSC International	Hong Kong, China	HKD3 million	Hong Kong, China	Technical exchange and trade	100.00	-	Incorporation through investment
CRSC Finance	Beijing	2 billion	Beijing	Enterprise group financial company services	95.00	-	Incorporation through investment
CRSC Huatai	Jishou	580 million	Jishou	Project management of engineering and operation and maintenance	90.00	-	Incorporation through investment
CRSC Tengda	Jishou	450 million	Jishou	Project management of engineering and operation and maintenance	90.00	-	Incorporation through investment
CRSC Jiangsu Smart (Zhengzhou) Electrification Bureau Group	Taixing Zhengzhou	400 million 500 million	Taixing Zhengzhou	Design and integration General engineering contracting and system delivery service	88.00 65.00	2.00	Incorporation through investment Business combination not under common control
Zhengzhou Xiudong	Zhengzhou	500 million	Zhengzhou	Construction contracting	65.00	-	Business combination not under common control
CASCO	Shanghai	600 million	Shanghai	Design and integration	51.00	-	Business combination not under common control

- Notes:
- All the companies above are limited liability companies.
  - For changes on major subsidiaries for the year, please refer to Note "IX. Changes on scope of consolidation".

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	227,156,868.91	-	1,322,154,221.24

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



# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## 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		Non-current		Total		Opening balance		Total	
	assets	liabilities	assets	liabilities	assets	liabilities	assets	liabilities	assets	liabilities	assets	liabilities
CASCO	6,848,455,151.22	1,175,826,059.96	8,024,281,211.18	5,270,483,116.69	42,837,300.12	5,313,320,416.81	5,882,013,947.97	1,237,626,808.93	7,119,640,756.90	4,813,989,753.81	60,756,495.53	4,874,746,249.34

Name of subsidiaries	Amount for the current period		operating activities		Amount for the last period		operating activities	
	Revenue	Net profit	income	income	Revenue	Net profit	income	income
CASCO	2,782,441,821.77	464,056,456.77	464,020,985.43	242,485,075.38	2,560,081,811.40	502,688,659.93	503,994,038.99	306,113,148.41

#### 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	Places of principal activities	Place of registration	Nature of business	Shareholding percentage of the Group (%)		Accounting method for Investments in joint ventures or associates
				Direct	Indirect	
Joint ventures						
Xi'an Schaltbau Electric Corp., Ltd. (西安沙爾特寶電氣有限公司)	Xi'an	Xi'an	Manufacturing of product	-	50.00	Equity method
CRSC Smart Data Technology (Beijing) Co., Ltd. (通智數據科技(北京)有限公司)	Beijing	Beijing	Technology development	-	45.00	Equity method
Associates						
CSCCEC Foshan Joint Investment Co., Ltd. (佛山中建交通聯合投資有限公司)	Guangzhou	Guangzhou	Investment project construction	11.00	-	Equity method
Siping Integrated Pipeline Construction Co., Ltd. (四平市綜合管廊建設運營有限公司)	Siping	Siping	Project contracting	20.00	-	Equity method
Guangdong Utrust Financial Leasing Co., Ltd. (廣東粵財金融租賃股份有限公司)	Guangzhou	Guangzhou	Financial leasing	30.00	-	Equity method
CRSC Tianshui Tram Co., Ltd. (天水通號有軌電車有限責任公司)	Tianshui	Tianshui	Project contracting	35.63	-	Equity method
Shenzhen Railway Signal Technology (Shenzhen) Co., Ltd. (深鐵信號科技(深圳)有限公司)	Shenzhen	Shenzhen	Software and information technology services	49.00	-	Equity method
Zhongguancun Chipsea Prioritizing Technology Co., Ltd. (中關村芯海擇優科技有限公司)	Beijing	Beijing	Technology development	-	20.00	Equity method
Siemens Signalling Company Ltd. (西門子信號有限公司)	Xi'an	Xi'an	Manufacturing of product	-	30.00	Equity method
Henan Huazhou Railway Co., Ltd. (河南滑州鐵路有限公司)	Anyang	Anyang	Project contracting	-	44.00	Equity method
Zhuhai Huatong Private Equity Fund Management Enterprise (Limited Partnership) (珠海華通私募基金管理企業(有限合夥))	Zhuhai	Zhuhai	Equity investment management	-	40.00	Equity method

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### X. INTERESTS IN OTHER ENTITIES (CONTINUED)

#### (III) Interests in the joint venture or associate (Continued)

##### 1. Significant joint ventures or associates (Continued)

Name of joint ventures or associates	Places of principal activities	Place of registration	Nature of business	Shareholding percentage of the Group (%)		Accounting method for Investments in joint ventures or associates
				Direct	Indirect	
Tianshui Tram Co., Ltd. (天水有軌電車有限責任公司)	Tianshui	Tianshui	Project contracting	-	36.00	Equity method
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd. (浙江交投智能交通科技有限公司)	Hangzhou	Hangzhou	Technology development	-	40.00	Equity method
China Tietong Railway Operation Co., Ltd. (中鐵通軌道運營有限公司)	Wenzhou	Wenzhou	Rail transit operation	-	30.00	Equity method
China Liantou (Shanghai) Digital Technology Co., Ltd. (中聯投(上海)數字科技有限公司)	Shanghai	Shanghai	Data technology	-	20.00	Equity method
Tianjin Jingui Huihai Technology Development Co., Ltd. (天津津軌匯海科技發展有限公司)	Tianjin	Tianjin	Rail transit operation	-	20.00	Equity method
Wuhan Intelligence Metro Technology Co., Ltd. (武漢智慧地鐵科技有限公司)	Wuhan	Wuhan	Technology development	-	15.00	Equity method

Notes:

- (1) On 14 April 2020, our subsidiary, CRSC Institute of Smart City Research & Design Co., Ltd. jointly established Zhitong Data Technology (Beijing) Co., Ltd. with Aerospace Harmony Wisdom Technologies Co., Ltd. According to the company's articles of association, Aerospace Harmony Wisdom Technologies Co., Ltd. holds 55% of the shares, and CRSC Institute of Smart City Research & Design Co., Ltd. holds 45% of the shares. The voting rights shall be exercised according to the proportion of actual capital contributions, and the resolution of the shareholders' meeting must be passed by more than two-thirds of the voting rights of the shareholders represented. CRSC Institute of Smart City Research & Design Co., Ltd., and Aerospace Harmony Wisdom Technologies Co., Ltd. jointly control Zhitong Data Technology (Beijing) 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	149,932,394.11	146,986,709.27
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profit	4,385,684.84	7,146,894.38
– Other comprehensive income		
– Total comprehensive income	4,385,684.84	7,146,894.38
Associates:		
Total book value of investment	1,471,319,335.85	1,385,179,535.96
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profit	45,531,895.03	44,835,048.19
– Other comprehensive income		
– Total comprehensive income	45,531,895.03	44,835,048.19

Other explanation

None.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XI. GOVERNMENT SUBSIDIES

#### 1. 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

#### 2. Debt items involving government subsidies

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period in non-operating income	Decrease for the period in other income	Others	Closing balance	Government grants related to assets/income
Deferred income	63,069,884.68	-	903,484.86	106,773.50	-	62,059,626.32	Government grants related to assets
Deferred income	110,720,781.34	15,978,384.03	-	35,359,538.92	-9,523.81	91,330,102.64	Government grants related to income
Total	<u>173,790,666.02</u>	<u>15,978,384.03</u>	<u>903,484.86</u>	<u>35,466,312.42</u>	<u>-9,523.81</u>	<u>153,389,728.96</u>	/

#### 3. 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	<b>903,484.86</b>	903,484.86
Government grants related to income	<b>114,687,852.25</b>	227,013,259.65
Total	<b><u>115,591,337.11</u></b>	<u>227,916,744.51</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS

#### (I) Category of financial instruments

Applicable     Not Applicable

Financial assets:

Item	Measured at amortized cost	Measured at fair value through other comprehensive income		Total
		Standards	Designated	
Cash and bank balances	23,759,388,945.42	-	-	23,759,388,945.42
Bills receivable	688,684,621.87	-	-	688,684,621.87
Receivables for financing	-	644,586,690.30	-	644,586,690.30
Accounts receivable	22,871,138,096.78	-	-	22,871,138,096.78
Other receivables	1,645,183,088.53	-	-	1,645,183,088.53
Debt investment	273,172,183.50	-	-	273,172,183.50
Other equity instrument investments	-	-	1,223,290,285.94	1,223,290,285.94
Long-term receivables	6,739,358,463.84	-	-	6,739,358,463.84
Financial assets included in other non-current assets	6,033,908,266.46	-	-	6,033,908,266.46
<b>Total</b>	<b>62,010,833,666.40</b>	<b>644,586,690.30</b>	<b>1,223,290,285.94</b>	<b>63,878,710,642.64</b>

Financial liabilities:

Item	Measured at amortized cost	Measured at fair value through other comprehensive income		Total
		Measured at amortized cost	through other comprehensive income	
Short-term borrowings	635,200,885.02	-	-	635,200,885.02
Bills payable	1,324,735,856.14	-	-	1,324,735,856.14
Accounts payable	44,846,916,917.65	-	-	44,846,916,917.65
Customers deposits and deposits from banks and other financial institutions	5,060,575,156.65	-	-	5,060,575,156.65
Other payables	3,307,156,823.94	-	-	3,307,156,823.94
Employee benefits payable (cash payment)	823,111,599.17	-	-	823,111,599.17
Long-term borrowings	2,929,434,830.20	-	-	2,929,434,830.20
Financial liabilities in non-current liabilities due within one year	393,902,177.26	-	-	393,902,177.26
Lease liabilities	67,385,066.90	-	-	67,385,066.90
Long-term payables	44,003,013.77	-	-	44,003,013.77
<b>Total</b>	<b>59,432,422,326.70</b>	<b>-</b>	<b>-</b>	<b>59,432,422,326.70</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### (II) Transfer of financial assets

##### ***Transferred financial assets that are not derecognized in their entirety***

As at 30 June 2024, the carrying amounts of bank acceptance bills, commercial 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 RMB74,239,961.68, RMB161,878,417.58, and RMB280,000.00, respectively. (31 December 2023: RMB91,215,838.81 for bank acceptance bills, RMB267,557,953.13 for commercial acceptance bills and RMB500,000.00 for other credit instruments measured at fair value with changes recognised in other comprehensive income). 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 2024 was RMB236,398,379.26 (31 December 2023: RMB359,273,791.94).

As at 30 June 2024, the Company had a balance of RMB221,000,000.00 in factoring of accounts receivable with recourse.

##### ***Transferred financial assets that are derecognised in their entirety in which continuing involvement exists***

As at 30 June 2024, 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 RMB148,859,236.54 and RMB60,760,017.85 respectively (31 December 2023: RMB439,903,335.27 for bank acceptance bills and RMB68,522,549.52 for other credit instruments measured at fair value with changes recognised in other comprehensive income).

As at 30 June 2024, the derecognized bills had a maturity of one to twelve months. In accordance with the Law of Negotiable Instruments, the holders of the derecognized 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 2024, 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 derecognized. The endorsement happened evenly throughout the year.



## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### (III) Risk of financial instruments

The Company is faced with risks of various financial instruments in daily activities, which mainly include credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and commodity price risk). The main financial instruments of the Company include monetary funds, equity investment, borrowings, receivables for financing and accounts receivable, bills payable and accounts payable and others. The risks associated with these financial instruments and the risk management strategies adopted by the Company to mitigate these risks 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.

#### 1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### (III) Risk of financial instruments (Continued)

##### 1. Credit risk (Continued)

###### (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.

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.

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### (III) Risk of financial instruments (Continued)

##### 1. Credit risk (Continued)

###### (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.

Credit impairment of financial assets might be caused by the combined action of multiple events, but not necessarily by separately identifiable events.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### (III) Risk of financial instruments (Continued)

##### 1. Credit risk (Continued)

###### (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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### (III) Risk of 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 and lease liabilities based on the undiscounted contractual cash flows:

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	635,200,885.02	-	-	-	635,200,885.02
Bills payable	1,324,735,856.14	-	-	-	1,324,735,856.14
Accounts payable	44,846,916,917.65	-	-	-	44,846,916,917.65
Other payables	1,440,983,960.04	-	-	-	1,440,983,960.04
Customers deposits and deposits from banks and other financial institutions	5,060,575,156.65	-	-	-	5,060,575,156.65
Lease liabilities	51,030,233.93	32,498,627.50	24,934,840.16	9,951,599.24	118,415,300.83
Long-term borrowings (including maturity within 1 year)	303,949,092.80	65,000,000.00	302,000,000.00	2,562,434,830.20	3,233,383,923.00
Interest on long – and short-term borrowings	73,178,349.35	153,990,937.61	563,564,929.57	309,660,214.95	1,100,394,431.48
Long-term payables (including maturity within 1 year)	38,922,850.53	44,003,013.77	-	-	82,925,864.30

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### (III) Risk of financial instruments (Continued)

##### 3. Market risk

###### (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 2024, floating interest rate loans and fixed interest rate loans accounted for 99.80% and 0.20% 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 RMB14,509,823.03 from January to June 2024 (January to June 2023: RMB20,389,848.81), 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 2024 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 RMB6,467,071.06 from January to June 2024 (January to June 2023: RMB6,155,519.30), 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 2024 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### (III) Risk of financial instruments (Continued)

##### 3. Market risk (Continued)

###### (2) Foreign currency 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 2024 and 31 December 2023 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	Increase/ (decrease) in United States dollar exchange rate)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholder's equity
Depreciation of RMB against United States dollar	5%	1,807,855.51	1,807,855.51
Appreciation of RMB against United States dollar	-5%	-1,807,855.51	-1,807,855.51

  

Item	Increase/ (decrease) in Hong Kong dollar exchange rate)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholder's equity
Depreciation of RMB against Hong Kong dollar	5%	151,346.07	151,346.07
Appreciation of RMB against Hong Kong dollar	-5%	-151,346.07	-151,346.07

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred as at 30 June 2024 and 31 December 2023 and the exposure to foreign currency 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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIII. DISCLOSURE OF FAIR VALUE

#### 1. Closing fair value of assets and liabilities measured at fair value

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Closing fair value			Total
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	
<b>I. Continuous measurement of fair value</b>				
(1) Receivables for financing	-	644,586,690.30	-	644,586,690.30
(2) Other equity instrument investments	-	-	1,223,290,285.94	1,223,290,285.94

#### 2. Basis for determining the market value of continuous and non-continuous Level-1 fair value measurement items

Applicable  Not Applicable

#### 3. 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

#### 4. 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

#### 5. 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



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIII. DISCLOSURE OF FAIR VALUE (CONTINUED)

6. 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

7. Changes in valuation techniques during the current period and reason for such change

Applicable  Not Applicable

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

Applicable  Not Applicable

9. 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	62.71	62.71

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (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

#### (IV) Other related parties

Applicable  Not Applicable

Name of other related parties	Relationship between other related parties and the Company
Beijing CRSC Beifang Real Estate Co., Ltd.	Joint venture of the Parent
Tianjin Keyvia Electric Co., Ltd.	Associate of the Parent
Beijing Beixin Fengyuan Railway Electronic Equipment 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
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC 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 Foshan 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 Erqi Communication Factory Co., Ltd.	Subsidiary under control of the ultimate holding company
Gu'an Beixin Railway Signal Co., Ltd.	Associate of the subsidiary under control of the ultimate holding company
Alstom Investment (Shanghai) Co., Ltd.	Minority shareholder having material influence on subsidiary of the Group

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (IV) Other related parties (Continued)

Name of other related parties	Relationship between other related parties and the Company
Alstom Technical Services (Shanghai) Co., Ltd.	Related party of a minority shareholder having material influence on subsidiary of the Group
GE (Shanghai) Electric Power Technology Co., Ltd.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA-Saint Ouen	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA-Villeurbanne	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Signaling Inc.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport S.A.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport India Limited	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport Spain Limited	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA-Romania	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport Australia Pty Limited	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM (Thailand) Ltd	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA-France Signalling	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Aix en Provence	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Ferroviaria S.p.A.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA-Aix en Provence	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport (S) Pte Ltd	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM ISRAEL LTD	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Hong Kong Ltd	Related party of a minority shareholder having material influence on subsidiary of the Group

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	24,339,587.76	/	/	11,828,386.28
ALSTOM Transport SA-Saint Ouen	Procurement of goods	11,007,847.24	/	/	38,476,285.61
ALSTOM Transport SA-Villeurbanne	Procurement of goods	10,946,445.38	/	/	10,117,127.93
Gu'an Beixin Railway Signal Co., Ltd.	Procurement of goods	10,147,000.56	/	/	5,514,772.20
Siemens Signalling Company Ltd.	Procurement of goods	9,953,031.22	/	/	14,177,929.94
ALSTOM Signaling Inc.	Procurement of goods	7,307,157.73	/	/	4,205,473.95
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Procurement of goods	4,697,848.03	/	/	5,025,751.04
Xi'an Weixun Monitoring Equipment Co., Ltd.	Procurement of goods	623,758.30	/	/	1,069,959.35
Tianjin Jingui Huihai Technology Development Co., Ltd.	Procurement of goods	-	/	/	1,769,434.51
Xi'an Schaltbau Electric Corp., Ltd.	Procurement of goods	-	/	/	469,621.97
CRSC Smart Data Technology (Beijing) Co., Ltd.	Procurement of goods	-	/	/	48,947.80
ALSTOM Transport SA-Saint Ouen	Receipt of services	102,836,450.46	/	/	87,839,423.35
ALSTOM Transport SA-Villeurbanne	Receipt of services	8,747,634.55	/	/	11,801,415.61
Alstom Investment (Shanghai) Co., Ltd.	Receipt of services	6,974,971.70	/	/	-
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Receipt of services	1,100,000.00	/	/	-
ALSTOM Signaling Inc.	Receipt of services	713,997.44	/	/	20,623,019.91
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	Receipt of services	391,121.69	/	/	345,388.69
Gu'an Beixin Railway Signal Co., Ltd.	Receipt of services	369,760.00	/	/	200,520.00
CRSC Smart Data Technology (Beijing) Co., Ltd.	Receipt of services	-	/	/	3,061,748.36
China Tietong Railway Operation Co., Ltd.	Receipt of services	-	/	/	33,500.00

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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
ALSTOM Transport S.A.	Sale of goods	84,735,960.50	18,027,854.20
Siping Integrated Pipeline Construction Co., Ltd.	Sale of goods	35,545,957.26	–
ALSTOM Transport India Limited	Sale of goods	29,002,357.55	3,338,540.00
Beijing CRSC Beifang Real Estate Co., Ltd.	Sale of goods	22,259,987.05	–
ALSTOM Signaling Inc.	Sale of goods	21,281,443.93	–
Siemens Signalling Company Ltd.	Sale of goods	21,208,296.58	25,287,075.00
Tianshui Tram Co., Ltd.	Sale of goods	13,256,374.86	–
CRSC Real Estate Co., Ltd.	Sale of goods	9,828,191.79	–
CRSC Guizhou Real Estate Co., Ltd.	Sale of goods	8,123,195.36	–
China Tietong Railway Operation Co., Ltd.	Sale of goods	128,177.00	–
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Sale of goods	34,050.00	123,785.85
CRSC Smart Data Technology (Beijing) Co., Ltd.	Sale of goods	1,415.09	–
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Sale of goods	943.40	1,235,849.06
Tianjin Keyvia Electric Co.,Ltd.	Sale of goods	943.40	–
Gu'an Beixin Railway Signal Co., Ltd.	Sale of goods	471.70	5,646,296.94
CRSC Tianshui Tram Co., Ltd.	Provision of services	6,207,765.10	–
Siemens Signalling Company Ltd.	Provision of services	793,821.92	540,575.84
Xi'an Schaltbau Electric Corp., Ltd.	Provision of services	307,891.13	291,792.45
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Provision of services	202,925.91	–
Gu'an Beixin Railway Signal Co., Ltd.	Provision of services	49,150.94	–
CRSC Smart Data Technology (Beijing) Co., Ltd.	Provision of services	47,308.05	–
Xi'an Weixun Monitoring Equipment Co., Ltd.	Provision of services	34,625.94	86,564.86
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Provision of services	21,504.43	–
Tianjin Keyvia Electric Co.,Ltd.	Provision of services	2,830.19	–
CRSC Foshan Real Estate Co., Ltd.	Provision of services	–	271,640,898.23
Tianshui Tram Co., Ltd.	Provision of services	–	96,581,872.78
CRSC Real Estate Co., Ltd.	Provision of services	–	15,450,443.34
Beijing CRSC Beifang Real Estate Co., Ltd.	Provision of services	–	14,566,035.72
CRSC Guizhou Real Estate Co., Ltd.	Provision of services	–	1,836,540.44

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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)*

Explanation about related party transactions of purchasing or selling goods and rendering or receiving services

Applicable  Not Applicable

##### 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (V) Related party transactions (Continued)

##### 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
Xi'an Schaltbau Electric Corp., Ltd.	Buildings	2,542,891.92	2,433,302.75
Xi'an Weixun Monitoring Equipment Co., Ltd.	Buildings	235,710.56	589,276.39

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

## 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	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 expense on lease liabilities		Right-of-use asset acquired	
		Amount for current period	Amount for the last period	Amount for current period	Amount for the last period	Amount for current period	Amount for the last period	Amount for current period	Amount for the last period	Amount for current period	Amount for the last period
CRSC Real Estate Co., Ltd.	Buildings	980,477.06	1,338,792.00	-	-	-	-	-	-	-	-
Beijing Railways Signal & Communication Complete Equipment Company Ltd.	Buildings	22,902.74	211,354.70	-	-	-	-	-	-	-	-

Explanation about leases with related parties

Applicable  Not Applicable



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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. *Capital lending to/borrowing from related parties*

Applicable  Not Applicable

##### 6. *Asset transfer and debt restructuring of related parties*

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (V) Related party transactions (Continued)

##### 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	<b>282.67</b>	315.36

##### 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 Real Estate Co., Ltd.	<b>29,937.11</b>	112,296.73
CRSC Guizhou Real Estate Co., Ltd.	<b>2,248.51</b>	26,273.16
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	<b>3,578.74</b>	3,942.87
Beijing Erqi Communication Factory Co., Ltd.	<b>2,565.22</b>	1,155.10
China Railway Signal and Communication (Group) Corporation Limited	<b>4,622,530.69</b>	888.46
Xi'an Weixun Monitoring Equipment Co., Ltd.	<b>0.10</b>	0.04
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	<b>185,138.81</b>	-
Beijing Railways Signal & Communication Complete Equipment Company Ltd.	<b>594,125.64</b>	-
CRSC Foshan Real Estate Co., Ltd.	<b>3,581.11</b>	-

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	Book balance at the end of the period	Book balance at the beginning of the period
<b>Accounts receivable</b>			
	CRSC Tianshui Tram Co., Ltd.	<b>262,826,238.93</b>	262,216,007.93
	Tianshui Tram Co., Ltd.	<b>177,697,017.28</b>	203,671,708.70
	Siping Integrated Pipeline Construction Co., Ltd.	<b>63,777,919.00</b>	27,332,996.00
	CRSC Real Estate Co., Ltd.	<b>41,000,863.51</b>	59,506,091.92
	Beijing CRSC Beifang Real Estate Co., Ltd.	<b>39,745,102.38</b>	65,429,340.13
	CRSC Foshan Real Estate Co., Ltd.	<b>38,936,177.49</b>	143,101,916.47
	Siemens Signalling Company Ltd.	<b>34,158,988.40</b>	15,635,907.76
	ALSTOM Transport S.A.	<b>16,162,950.87</b>	917,406.00
	CRSC Guizhou Real Estate Co., Ltd.	<b>11,410,646.15</b>	20,521,611.60
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	<b>6,039,600.07</b>	4,980,344.77
	ALSTOM Transport India Limited	<b>2,321,707.39</b>	3,168,089.11
	China Tietong Railway Operation Co., Ltd.	<b>134,000.00</b>	-
	Gu'an Beixin Railway Signal Co., Ltd.	-	10,758,491.00
	ALSTOM Transport Spain Limited	-	89.06
	ALSTOM Transport SA-Romania	-	20.00
	ALSTOM Transport Australia Pty Limited	-	65,938.00
	Subtotal	<b>694,211,211.47</b>	817,305,958.45
	Less: provision for bad debts of accounts receivable	<b>47,683,322.58</b>	30,571,261.45
	Total	<b>646,527,888.89</b>	786,734,697.00

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	Book balance at the end of the period	Book balance at the beginning of the period
<b>Dividends receivable</b>			
	Siemens Signalling Company Ltd.	–	5,100,000.00
	China Tietong Railway Operation Co., Ltd.	1,500,000.00	–
	CRSC Smart Data Technology (Beijing) Co., Ltd.	1,440,000.00	–
	Total	<b>2,940,000.00</b>	5,100,000.00
<b>Prepayments</b>			
	Xi'an Weixun Monitoring Equipment Co., Ltd.	2,977,771.32	1,426,896.00
	ALSTOM (Thailand) Ltd	764,360.39	1,605,967.25
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	423,000.00	423,000.00
	Siemens Signalling Company Ltd.	5,300.00	1,908,300.00
	ALSTOM Transport SA-Saint Ouen	–	3,001,885.88
	ALSTOM Transport SA-France Signalling	–	25,557.50
	Total	<b>4,170,431.71</b>	8,391,606.63

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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	Book balance at the end of the period	Book balance at the beginning of the period
<b>Other receivables</b>			
	Siemens Signalling Company Ltd.	<b>1,403,303.82</b>	995,861.38
	Beijing CRSC Beifang Real Estate Co., Ltd.	<b>525,794.89</b>	355,770.82
	CRSC Real Estate Co., Ltd.	<b>361,427.93</b>	314,943.80
	Xi'an Weixun Monitoring Equipment Co., Ltd.	<b>293,628.00</b>	1,680,522.40
	ALSTOM (Thailand) Ltd	<b>164,249.66</b>	1,082,821.68
	CRSC Guizhou Real Estate Co., Ltd.	<b>119,869.80</b>	–
	CRSC Tianshui Tram Co., Ltd.	<b>75,226.63</b>	124,692.57
	Tianjin Jingui Huihai Technology Development Co., Ltd.	<b>52,620.00</b>	–
	CRSC Foshan Real Estate Co., Ltd.	<b>39,796.93</b>	28,017,521.82
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	<b>28,279.80</b>	24,919.80
	CRSC Smart Data Technology (Beijing) Co., Ltd.	<b>19,600.00</b>	599,811.41
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	<b>9,750.00</b>	–
	Xi'an Schaltbau Electric Corp., Ltd.	–	449,027.84
	China Railway Signal and Communication (Group) Corporation Limited	–	195,600.00
	Subtotal	<b>3,093,547.46</b>	33,841,493.52
	Less: provision for bad debts of other receivables	<b>34,880.00</b>	57,140.14
	Total	<b>3,058,667.46</b>	33,784,352.78

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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
<b>Accounts payable</b>			
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	148,670,538.90	144,434,989.36
	Tianjin Keyvia Electric Co., Ltd.	93,505,510.08	94,140,276.10
	ALSTOM Transport SA-Saint Ouen	56,819,771.69	34,071,222.77
	CRSC Smart Data Technology (Beijing) Co., Ltd.	36,513,045.86	51,250,349.86
	Gu'an Beixin Railway Signal Co., Ltd.	14,521,016.41	44,595,594.86
	Siemens Signalling Company Ltd.	10,896,374.85	11,174,583.34
	ALSTOM Signaling Inc.	10,068,763.25	26,380,780.45
	Tianjin Jingui Huihai Technology Development Co., Ltd.	8,676,486.15	6,251,713.68
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	6,728,578.61	8,575,240.65
	ALSTOM (Thailand) Ltd	6,546,846.19	4,524,294.58
	ALSTOM Transport SA-Villeurbanne	3,832,470.20	5,978,759.91
	Xi'an Schaltbau Electric Corp., Ltd.	3,758,621.06	304,696.82
	Xi'an Weixun Monitoring Equipment Co., Ltd.	381,993.58	609,432.56
	Alstom Investment (Shanghai) Co., Ltd.	287,654.71	287,654.71
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	82,850.00	–
	Beijing Erqi Communication Factory Co., Ltd.	64,953.41	64,953.41
	ALSTOM Aix en Provence	59,553.43	–
	Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	40,000.00	–
	Shenzhen Railway Signal Technology (Shenzhen) Co., Ltd.	–	805,739.82
	ALSTOM Ferroviaria S.p.A.	–	83,048.45
	ALSTOM Transport SA-Aix en Provence	–	59,553.43
	<b>Total</b>	<b>401,455,028.38</b>	<b>433,592,884.76</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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
<b>Contract liabilities</b>	ALSTOM Transport S.A.	9,952,577.60	–
	Siemens Signalling Company Ltd.	998,886.00	–
	ALSTOM Transport India Limited	720,417.72	379,290.90
	ALSTOM (Thailand) Ltd	299,956.10	–
	ALSTOM Transport (S) Pte Ltd	–	28,156,783.10
	ALSTOM Transport Australia Pty Limited	–	15,067,184.56
	ALSTOM ISRAEL LTD	236,660.14	–
	<b>Total</b>	<b>11,971,837.42</b>	<b>43,839,918.70</b>
<b>Other payables</b>	China Railway Signal and Communication (Group) Corporation Limited	90,082,734.72	49,710,137.71
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	73,233,950.99	3,721,078.30
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	22,762,916.49	–
	CRSC Guizhou Real Estate Co., Ltd.	3,218,676.52	1,000.00
	CRSC Real Estate Co., Ltd.	2,478,995.78	–
	CRSC Foshan Real Estate Co., Ltd.	2,347,772.26	–
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	1,948,327.57	–
	Beijing Erqi Communication Factory Co., Ltd.	1,264,403.57	–
	Xi'an Weixun Monitoring Equipment Co., Ltd.	56.98	–
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	–	232,101.46
	China Tietong Railway Operation Co., Ltd.	–	184,548.54
	Gu'an Beixin Railway Signal Co., Ltd.	–	30,000.00
	<b>Total</b>	<b>197,337,834.88</b>	<b>53,878,866.01</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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
<b>Bills payable</b>			
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	2,401,896.91	–
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	2,100,000.00	700,000.00
	Gu'an Beixin Railway Signal Co., Ltd.	–	1,496,549.00
	<b>Total</b>	<b>4,501,896.91</b>	<b>2,196,549.00</b>
<b>Customers deposits and deposits from banks and other financial institutions</b>			
	China Railway Signal and Communication (Group) Corporation Limited	4,950,056,258.20	33,905,451.51
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	71,755,618.75	72,661,560.11
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	28,756,672.08	22,762,916.49
	CRSC Real Estate Co., Ltd.	3,015,743.21	3,151,784.84
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	2,717,821.36	1,948,327.57
	Beijing Erqi Communication Factory Co., Ltd.	1,725,228.79	1,264,403.57
	CRSC Guizhou Real Estate Co., Ltd.	1,405,527.79	4,164.73
	CRSC Foshan Real Estate Co., Ltd.	1,142,229.39	2,347,772.26
	Xi'an Weixun Monitoring Equipment Co., Ltd.	57.08	56.98
	<b>Total</b>	<b>5,060,575,156.65</b>	<b>138,046,438.06</b>

##### 3. Other items

Applicable  Not Applicable



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

#### (VII) Commitment of related parties

Applicable  Not Applicable

The commitments in relation to related parties contracted for but not yet necessary to be recognised on the balance sheet by the Company as at the balance sheet dates were as follows:

Name of item	Related party	Closing balance	Balance at the end of the previous year
<b>Procurement of goods/receipt of services</b>			
	ALSTOM Transport SA-Saint Ouen	325,960,936.16	290,474,027.74
	ALSTOM Signaling Inc.	15,706,959.11	16,293,074.07
	Siemens Signalling Company Ltd.	6,253,349.11	8,803,984.20
	ALSTOM Transport SA-Villeurbanne	5,353,225.92	38,695,331.28
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	3,634,326.27	6,526,455.75
	Alstom Investment (Shanghai) Co., Ltd.	1,500,000.00	28,613,541.60
	Gu'an Beixin Railway Signal Co., Ltd.	1,226,483.89	-
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	7,697.40	-
<b>Sale of goods/provision of services</b>			
	CRSC Guizhou Real Estate Co., Ltd.	315,011,554.92	328,774,966.51
	ALSTOM Hong Kong Ltd	94,651,774.84	123,495,430.93
	ALSTOM Transport S.A.	62,856,277.99	63,882,902.14
	Tianshui Tram Co., Ltd.	40,496,693.61	71,369,409.88
	Tianshui Tram Co., Ltd.	39,671,693.61	51,744,282.21
	ALSTOM Transport Australia Pty Limited	18,729,860.08	19,156,774.08
	ALSTOM Transport India Limited	18,368,769.74	33,997,081.25
	CRSC Real Estate Co., Ltd.	10,506,536.28	19,078,034.62
	Siemens Signalling Company Ltd.	5,143,533.26	1,646,489.10
	ALSTOM Ferroviaria S.p.A	859,590.00	859,590.00
	Alstom Technical Services (Shanghai) Co., Ltd.	370,148.28	-
	ALSTOM Signaling Inc.	103,695.00	1,444,950.00
	ALSTOM ISRAEL LTD	4,826.82	4,826.82
	ALSTOM Transport (S) Pte Ltd	263.00	263.00
	Gu'an Beixin Railway Signal Co., Ltd.	-	11,987,079.72
	Tianjin Jingui Huihai Technology Development Co., Ltd.	-	2,613,553.00
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	-	1,236,820.00
	GE (Shanghai) Electric Power Technology Co., Ltd.	-	370,148.28

#### (VIII) Others

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XV. SHARE-BASED PAYMENT

**1. Various equity instruments**

Applicable  Not Applicable

Stock options or other equity instruments issued at the end of the period

Applicable  Not Applicable

**2. Equity-settled share-based payments**

Applicable  Not Applicable

**3. Cash-settled share-based payments**

Applicable  Not Applicable

**4. Share-based payment expenses for current period**

Applicable  Not Applicable

**5. Modification and termination of share-based payment**

Applicable  Not Applicable

**6. Others**

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XVI. COMMITMENTS AND CONTINGENCIES

(I) **Significant commitments**

Applicable  Not Applicable

Major external commitments, nature and amount thereof as at the balance sheet date

Name of item	Closing balance	Balance at the end of the previous year
Contracted, but not provided for	–	–
Capital commitment	–	–
Investment commitment	<b>422,263,600.00</b>	422,500,000.00
Total	<b>422,263,600.00</b>	422,500,000.00

(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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### 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 date**

Applicable  Not Applicable

### XVIII. 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XVIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

#### (IV) Annuity plan

Applicable  Not Applicable

#### (V) Discontinuing operations

Applicable  Not Applicable

#### (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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XVIII. 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	General engineering contracting	Others	Inter-segment offsetting	Total
Revenue from external transactions	13,111,412,592.30	1,098,427,988.92	40,468,704.50	-	14,250,309,285.72
Revenue from inter-segment transactions	187,442,884.67	10,613,896.16	11,819,949.49	-209,876,730.32	-
Investment income from joint ventures and associates	38,413,163.20	11,504,416.67	-	-	49,917,579.87
Asset impairment loss	-2,719,961.62	-3,713,389.23	-	-	-6,433,350.85
Credit impairment loss	104,597,234.95	-14,971,721.51	-144,476.97	-	89,481,036.47
Depreciation and amortization fees	326,771,450.61	5,108,690.88	1,463,671.50	-	333,343,812.99
Total profit	/	/	/	/	2,262,530,338.79
Income tax expenses	/	/	/	/	403,210,507.25
Net profit (net loss)	/	/	/	/	1,859,319,831.54
Long-term equity investments in joint ventures and associates	1,406,956,994.64	214,294,735.32	-	-	1,621,251,729.96
Capital expenditures	337,285,870.96	134,888.31	277,278.48	-	337,698,037.75
Total assets	73,619,125,747.83	37,646,041,856.43	13,732,897,322.41	-6,449,324,730.37	118,548,740,196.30
Total liabilities	34,357,041,804.26	30,090,116,769.97	11,614,961,167.83	-6,449,324,730.37	69,612,795,011.69

Note: Capital expenditure includes the current year's increase in investment real estate, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditure, and long-term deferred expenses.

##### 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XVIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

(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*

	<b>Amount for the current period</b>	Amount for the same period last year
<b>Revenue from external transactions</b>		
China	<b>13,644,581,163.68</b>	16,046,283,750.32
Other countries or regions	<b>605,728,122.04</b>	586,726,449.65
Total	<b>14,250,309,285.72</b>	16,633,010,199.97

Note: Revenue from external transactions is categorized by where the customers are located.

(2) *Total non-current assets*

	<b>Book balance at the end of the period</b>	Book balance at the beginning of the period
<b>Total non-current assets</b>		
China	<b>11,237,788,458.72</b>	11,284,185,074.34

Note: Non-current assets are categorized based on where the assets (excluding financial assets and deferred tax assets) are located.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. 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	744,905,803.58	669,015,662.76
1 to 2 years	247,317,111.24	326,687,594.34
2 to 3 years	345,046,755.90	410,332,286.71
Over 3 years	445,798,833.25	387,337,505.10
Subtotal	1,783,068,503.97	1,793,373,048.91
Less: Provision for bad debt	173,525,074.12	151,297,518.57
Total	1,609,543,429.85	1,642,075,530.34

##### 2. Disclosure by classification with the method of provision of bad debts

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Percentage of provision (%)		Amount	Proportion (%)	Amount	Percentage of provision (%)	
Single provision for bad debt	2,635,754.22	0.15	2,635,754.22	100.00	-	2,831,288.06	0.16	2,831,288.06	100.00	-
Provision withdrawn for bad debt on a combination basis	1,780,432,749.75	99.85	170,889,319.90	9.60	1,609,543,429.85	1,790,541,760.85	99.84	148,466,230.51	8.29	1,642,075,530.34
Total	1,783,068,503.97	/	173,525,074.12	/	1,609,543,429.85	1,793,373,048.91	/	151,297,518.57	/	1,642,075,530.34



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. 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	Book balance	Closing balance		Reasons for provision
		Provision for bad debt	Percentage of provision (%)	
Single provision for bad debt	2,635,754.22	2,635,754.22	100.00	-
Total	2,635,754.22	2,635,754.22	100.00	/

Descriptions of single provision for bad debt:

Applicable  Not Applicable

Provision withdrawn for bad debt on a combination basis:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. 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)

Items of provision on a combination basis: accounts receivable for which provision for bad debt is made based on a combination basis by credit risk characteristics

Unit: Yuan Currency: RMB

Name	Accounts receivable	Closing balance Provision for bad debt	Percentage of provision (%)
Within 1 year	744,905,803.58	3,538,747.37	0.48
1 to 2 years	247,317,111.24	10,185,437.91	4.12
2 to 3 years	345,046,755.90	13,503,513.96	3.91
Over 3 years	443,163,079.03	143,661,620.66	32.42
Total	1,780,432,749.75	170,889,319.90	9.60

Descriptions of provision withdrawn for bad debt on a combination basis:

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. 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	Provision	Increase/decrease during the period			Closing balance
			Recovery or reversal	Write-off or cancellation	Other changes	
Single provision for bad debt	2,831,288.06	-	-	195,533.84	-	2,635,754.22
Provision withdrawn for bad debt on a combination basis by credit risk characteristics	148,466,230.51	22,423,071.06	-	-	18.33	170,889,319.90
<b>Total</b>	<b>151,297,518.57</b>	<b>22,423,071.06</b>	<b>-</b>	<b>195,533.84</b>	<b>18.33</b>	<b>173,525,074.12</b>

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

Unit: Yuan Currency: RMB

Item	Write-off accounts
Actual write-off of accounts receivable	<u>195,533.84</u>

Write-off of significant accounts receivable

Applicable  Not Applicable

Explanation of write-off of accounts receivable:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. 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 2024, the total amount of top five account receivables and contract assets by closing balance of debtors amounted to RMB642,958,157.35, accounting for 20.18% of the total closing balance of accounts receivables. The total closing balance of the corresponding provision for bad debts amounted to RMB3,180,835.70.

As of 31 December 2023, the total amount of top five account receivables and contract assets by closing balance of debtors amounted to RMB708,671,294.75, accounting for 20.44% of the total closing balance of accounts receivables. The total closing balance of the corresponding provision for bad debts amounted to RMB3,812,692.65.

Other explanation:

Applicable  Not Applicable

#### (II) Other receivables

##### Presentation of item

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable	—	—
Dividends receivable	2,144,115,930.31	250,222,930.31
Other receivables	6,819,929,954.39	6,607,071,636.40
Total	8,964,045,884.70	6,857,294,566.71

Other explanation:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (II) Other receivables (Continued)

##### *Dividends receivable*

##### 1.1 *Dividends receivable*

Applicable     Not Applicable

Unit: Yuan    Currency: RMB

Item(or Investee)	Closing balance	Opening balance
CRSC Construction	172,561,000.00	172,561,000.00
Shanghai Engineering Bureau	68,910,000.00	56,270,000.00
CRSC Jiangsu Smart	13,800,000.00	13,800,000.00
CRSC Tengda	12,670,000.00	3,975,000.00
CRSC Wanquan Signal Equipment Co., LTD.	3,616,930.31	3,616,930.31
CASCO	396,210,000.00	-
CRSC Xi'an Industry Group	322,742,000.00	-
CRSCC	77,542,000.00	-
Innovation Investment	14,400,000.00	-
CRSC Huatai	1,680,000.00	-
CRSC (Beijing) Tendering Company Ltd.	6,730,000.00	-
CRSC Cables	34,320,000.00	-
CRSC International Holdings	6,780,000.00	-
Zhengzhou Xiudong	140,000.00	-
(Zhengzhou) Electrification Bureau Group	64,860,000.00	-
CRSCD	837,154,000.00	-
Urban Rail Transit	66,140,000.00	-
CRSCE	43,860,000.00	-
Total	<b>2,144,115,930.31</b>	250,222,930.31

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (II) Other receivables (Continued)

##### *Dividends receivable (Continued)*

1.2 *Significant dividends receivable aging over 1 year*

Applicable  Not Applicable

1.3 *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



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (II) Other receivables (Continued)

##### *Dividends receivable (Continued)*

##### 1.4 *Provision for bad debts*

Applicable  Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

Applicable  Not Applicable

##### 1.5 *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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (II) Other receivables (Continued)

##### Other receivables

##### 1.1 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	1,534,737,795.57	1,291,330,911.51
1 to 2 years	689,184,682.36	1,214,202,766.17
2 to 3 years	2,603,178,320.64	3,803,179,284.15
Over 3 years	1,993,366,406.31	298,897,495.86
Subtotal	6,820,467,204.88	6,607,610,457.69
Less: Provision for bad debt	537,250.49	538,821.29
Total	<b>6,819,929,954.39</b>	6,607,071,636.40

##### 1.2 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	5,378,843,130.00	5,438,843,130.00
Advances	1,260,608,814.19	1,026,193,302.90
Others	181,015,260.69	142,574,024.79
Subtotal	6,820,467,204.88	6,607,610,457.69
Less: Provision for bad debt	537,250.49	538,821.29
Total	<b>6,819,929,954.39</b>	6,607,071,636.40

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (II) Other receivables (Continued)

##### *Other receivables (Continued)*

##### 1.3 Provision for bad debts

Applicable     Not Applicable

Unit: Yuan    Currency: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit impaired)	
Amounts due as at 1 January 2024	117,995.09	–	420,826.20	538,821.29
Amounts due for the period as at 1 January 2024	–	–	–	–
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
– Reversed to stage 2	–	–	–	–
– Reversed to stage 1	–	–	–	–
Provision for the period	-1,570.80	–	–	-1,570.80
Reversal for current period	–	–	–	–
Write-off for current period	–	–	–	–
Cancellation for current period	–	–	–	–
Other changes	–	–	–	–
Amounts due as at 30 June 2024	<b>116,424.29</b>	<b>–</b>	<b>420,826.20</b>	<b>537,250.49</b>

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (II) Other receivables (Continued)

##### *Other receivables (Continued)*

##### 1.4 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	
Provision for bad debt	538,821.29	-1,570.80	-	-	537,250.49
Total	538,821.29	-1,570.80	-	-	537,250.49

Including significant amounts of provision for bad debts recovered or reversed in the period:

Applicable  Not Applicable

##### 1.5 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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (II) Other receivables (Continued)

##### *Other receivables (Continued)*

##### 1.6 *Top five other receivables by closing balance of debtors*

Applicable  Not Applicable

On 30 June 2024, the total amount of top five other receivables by closing balance of debtors amounted to RMB4,551,214,608.56, accounting for 66.73% of the total closing balance of other receivables. There was no need to make provision for bad debt.

On 31 December 2023, the total amount of top five other receivables by closing balance of debtors amounted to RMB4,551,681,308.54, accounting for 68.89% of the total closing balance of other receivables. There was no need to make provision for bad debt.

##### 1.7 *Listed as "Other receivables" due to centralized fund management*

Applicable  Not Applicable

Other explanation:

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (III) Long-term equity investment

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	18,429,896,919.24	-	18,429,896,919.24	18,429,896,919.24	-	18,429,896,919.24
Investments in associates and joint ventures	913,167,628.32	-	913,167,628.32	887,605,378.92	-	887,605,378.92
Total	19,343,064,547.56	-	19,343,064,547.56	19,317,502,298.16	-	19,317,502,298.16

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (III) Long-term equity investment (Continued)

##### 1. Investment in subsidiaries

Applicable     Not Applicable

Unit: Yuan    Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision for impairment for the period	Closing balance of provision for impairment
Shanghai Engineering Bureau	1,635,118,995.36	-	-	1,635,118,995.36	-	-
CRSCD	2,183,153,452.31	-	-	2,183,153,452.31	-	-
CRSCC	370,790,731.45	-	-	370,790,731.45	-	-
Urban Rail Transit	100,000,000.00	-	-	100,000,000.00	-	-
CRSC International Holdings	542,777,379.43	-	-	542,777,379.43	-	-
Innovation Investment	2,901,431,060.71	-	-	2,901,431,060.71	-	-
CRSCE	1,090,447,494.77	-	35,000,000.00	1,055,447,494.77	-	-
CRSC Cables	389,223,087.50	-	-	389,223,087.50	-	-
CRSC Changsha Railway	1,454,470,000.00	-	-	1,454,470,000.00	-	-
CASCO	731,460,709.51	-	-	731,460,709.51	-	-
CRSC Xi'an Industry Group (Zhengzhou) Electrification Bureau Group	2,161,476,363.60	-	-	2,161,476,363.60	-	-
	325,000,000.00	-	-	325,000,000.00	-	-
CRSC Construction	1,278,913,017.40	-	-	1,278,913,017.40	-	-
CRSC International	2,581,200.00	-	-	2,581,200.00	-	-
CRSC Tengda	405,000,000.00	-	-	405,000,000.00	-	-
CRSC Huata	522,000,000.00	-	-	522,000,000.00	-	-
CRSC Jiangsu Smart	431,053,427.20	-	-	431,053,427.20	-	-
CRSC Beijing Tendering	5,000,000.00	-	5,000,000.00	-	-	-
CRSC Beijing Material	-	40,000,000.00	-	40,000,000.00	-	-
CRSC Finance	1,900,000,000.00	-	-	1,900,000,000.00	-	-
<b>Total</b>	<b>18,429,896,919.24</b>	<b>40,000,000.00</b>	<b>40,000,000.00</b>	<b>18,429,896,919.24</b>	<b>-</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. 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	Increase in investment	Decrease in investment	Increase/decrease for the period						Closing balance	Closing balance of provision for impairment
				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		
I. Joint ventures											
Subtotal	-	-	-	-	-	-	-	-	-	-	-
II. Associates											
CSCCEC Foshan Joint Investment Co., Ltd.	12,616,233.38	-	-	-	-	-	-	-	-	12,616,233.38	-
Siping Integrated Pipeline Construction Co., Ltd.	224,763,946.36	-	-	-	-	-	-	-	-	224,763,946.36	-
Guangdong Utrust Financial Leasing Co., Ltd.	364,085,991.06	-	-	7,318,171.40	-	-	-	-	-	371,404,162.46	-
CRSC Tianshui Tram Co., Ltd.	261,632,127.62	-	-	18,244,078.00	-	-	-	-	-	279,876,205.62	-
Shenzhen Railway Signal Technology (Shenzhen) Co., Ltd.	24,507,080.50	-	-	-	-	-	-	-	-	24,507,080.50	-
Subtotal	887,605,378.92	-	-	25,562,249.40	-	-	-	-	-	913,167,628.32	-
Total	887,605,378.92	-	-	25,562,249.40	-	-	-	-	-	913,167,628.32	-



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. 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	1,031,461,175.28	942,796,875.52	1,518,137,692.07	1,418,788,390.06
Other operations	83,239,126.19	20,706,116.48	81,985,715.96	18,931,368.31
Total	1,114,700,301.47	963,502,992.00	1,600,123,408.03	1,437,719,758.37

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### (IV) Revenue and costs of sales (Continued)

##### 2. Breakdown of revenue and costs of sales

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Classification of contract	Amount for the current period		Amount for the last period	
	Revenue	Costs of sales	Revenue	Costs of sales
Rail transportation control system	988,119,456.74	907,191,273.66	1,505,634,124.12	1,406,245,741.49
Equipment manufacturing	-	-	-	-
System implementation	532,073,462.33	476,318,144.65	686,074,981.49	628,288,395.03
Design and integration	456,045,994.41	430,873,129.01	819,559,142.63	777,957,346.46
Construction contracting	43,620,262.41	35,779,593.93	13,636,443.92	12,693,799.57
Others	82,960,582.32	20,532,124.41	80,852,839.99	18,780,217.31
Total	<u>1,114,700,301.47</u>	<u>963,502,992.00</u>	<u>1,600,123,408.03</u>	<u>1,437,719,758.37</u>

Other explanation

Applicable  Not Applicable

##### 3. Details of performance obligation

Applicable  Not Applicable

##### 4. Explanation about allocation to the remaining performance obligations

Applicable  Not Applicable

##### 5. Significant contract amendments or significant transaction price adjustments

Applicable  Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

**(V) Investment income**

Applicable     Not Applicable

Unit: Yuan    Currency: RMB

Item	Amount for the current period	Amount for the current period
Income from long-term equity investments under the cost method	1,954,138,000.00	1,981,553,000.00
Income from long-term equity investments under the equity method	25,562,249.40	16,644,317.00
Investment income from disposal of long-term equity investments	-	13,796,227.51
Investment income of financial assets held for trading during the holding period	-	-
Dividend income generated from other equity instrument investments during the holding period	-	-
Interest income from debt investment during the holding period	5,682,496.84	4,551,081.06
Interest income from other debt investment during the holding period	-	-
Investment income from disposal of financial assets held for trading	-	-
Investment income from disposal of investment in other equity instruments	-	-
Investment income from disposal of debt investment	-	-
Investment income from disposal of other debt investment	-	-
Income on debt restructuring	-	-
Investment income from borrowing/loan	104,293,963.04	117,789,895.00
Total	<b>2,089,676,709.28</b>	<b>2,134,334,520.57</b>

Other explanations:

The investment income from borrowings is the interest charged by the Company for providing capital for subsidiaries.

**(VI) Others**

Applicable     Not Applicable

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XX. 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	-37,842.94	
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	42,933,087.97	
Gains and losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial corporations and gains and losses arising from the disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's normal business operations	—	
Occupancy fee charged to non-financial corporations included in profit or loss for the period	—	
Gains or losses on entrusted investments or assets under management	—	
Gains and losses on entrusted external loans	—	
Losses of various assets due to force majeure factors such as natural disasters	—	
Reversal of the impairment provision for receivables which are tested individually for impairment	1,056,270.68	
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its entitlement to the gain arising from the fair value of the investee's identifiable net assets at the time of investment acquisition.	—	
Net profit or loss for the period from the beginning of the period to the date of consolidation of subsidiaries resulting from business combinations under common control	—	
Gain or loss on exchange of non-monetary assets	—	
Profit or loss on debt restructuring	2,119,200.14	

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XX. SUPPLEMENTARY INFORMATION (CONTINUED)

#### (I) Breakdown of current non-recurring profit or loss (Continued)

Item	Amount	Note
One-off costs incurred by the enterprise as a result of the discontinuation of the relevant business activities, e.g. expenses for relocating staff, etc.	–	
One-time effect on profit or loss due to adjustments in tax, accounting and other laws and regulations	–	
One-time share-based payment expense recognized for cancellation and modification of equity incentive plan	–	
For cash-settled share-based payments, gains and losses arising from changes in the fair value of remuneration payable to employees after the date on which they become exercisable	–	
Gains and losses arising from changes in fair value of investment properties subsequently measured using the fair value model	–	
Gains arising from transactions where the transaction price is significantly less than fair	–	
Gains or losses arising from contingencies unrelated to the Company's normal operations	–	
Custodial fee income received from entrusted operations	–	
Other non-operating income and expenses apart from the aforesaid items	7,687,063.43	
Other gain or loss items falling within the definition of extraordinary items	–	
Less: Effect of income tax	13,244,792.70	
Effect of minority interest (after tax)	<u>1,743,329.60</u>	
Total	<u>38,769,656.98</u>	

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XX. SUPPLEMENTARY INFORMATION (CONTINUED)

#### (I) Breakdown of current non-recurring profit or loss (Continued)

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

#### (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	3.42	0.15	0.15
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	3.34	0.15	0.15

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

30 June 2024

RMB

### XX. SUPPLEMENTARY INFORMATION (CONTINUED)

**(III) Differences in accounting data between domestic and overseas accounting standards**

Applicable  Not Applicable

**(IV) Others**

Applicable  Not Applicable

Chairman: LOU Qiliang

Date of approval by the Board for submission: 28 August 2024

**INFORMATION ON AMENDMENT**

Applicable  Not Applicable