

# 2024

## INTERIM REPORT



NAVIGATING  
2025

# Sustainable Development

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Director

Mr. Liu Yu (*Chief Executive Officer*)  
Ms. Zhao Jingyuan (*Appointed on 8 August 2024*)

### Non-Executive Directors

Mr. Guan Jifa (*Chairman*)  
Ms. Sun Fang  
Mr. Cao Mingda  
Ms. Hou Weiwei (*Resigned on 8 August 2024*)  
Mr. Fang Zhiwei (*Appointed on 8 August 2024*)

### Independent Non-Executive Directors

Mr. Luo Zhenbang (*CPA*)  
Mr. Huang Lixin  
Mr. Li Wei

## AUTHORISED REPRESENTATIVES PURSUANT TO RULE 3.05 OF THE LISTING RULES

Mr. Liu Yu  
Ms. Ng Ka Man

## JOINT COMPANY SECRETARIES

Ms. Ng Ka Man  
Mr. Liu Yefei (*Appointed on 6 August 2024*)

## AUDIT COMMITTEE

Mr. Luo Zhenbang (*CPA*) (*Chairman*)  
Mr. Huang Lixin  
Mr. Li Wei

## REMUNERATION COMMITTEE

Mr. Li Wei (*Chairman*)  
Mr. Guan Jifa  
Mr. Huang Lixin

## NOMINATION COMMITTEE

Mr. Guan Jifa (*Chairman*)  
Mr. Huang Lixin  
Mr. Li Wei

## ESG COMMITTEE

Mr. Guan Jifa (*Chairman*)  
Mr. Liu Yu  
Mr. Luo Zhenbang (*CPA*)

## AUDITORS

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

## LEGAL ADVISERS TO THE COMPANY

Chiu & Partners

## PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation  
Limited

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3,  
Building D, P.O. Box 1586,  
Gardenia Court, Camana Bay,  
Grand Cayman, KY1-1100,  
Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

## WEBSITE

[www.biitt.cn](http://www.biitt.cn)

## STOCK CODE

1522

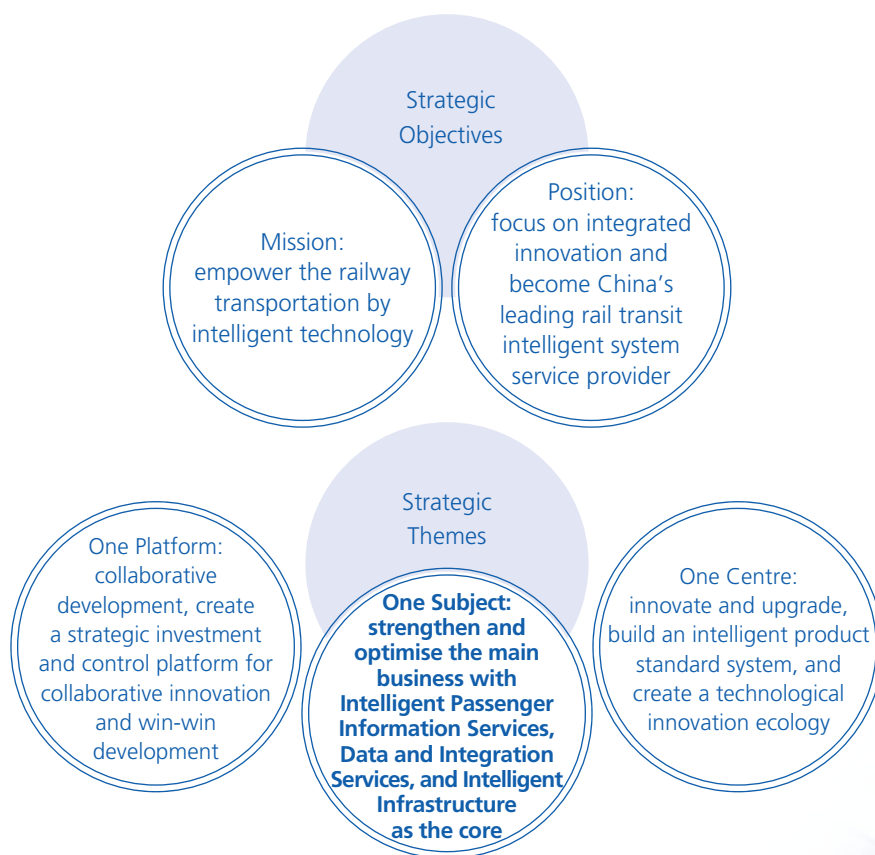
# Company Overview

## COMPANY INTRODUCTION

The Group is a high-tech enterprise specialising in the field of railway transportation, investment and financing, technology research and development (“R&D”), and intelligent railway transportation development, operation and maintenance. The Company was listed on the Growth Enterprise Market (GEM) of the Stock Exchange on 16 May 2012 and transferred to Main Board of the Stock Exchange on 6 December 2013, with the stock code of 1522.HK.

The Group adheres to the mission of empowering railway transportation with intelligent technology, and is positioned to “focus on integrated innovation and become China’s leading intelligent rail transit system service provider”, by building a technological ecosystem, which provides system solutions throughout the life cycle for rail transit development, becoming a world-class intelligent rail transit leader.

<b>Intelligent Passenger Information Services Business</b>	The Group’s intelligent passenger information services business provides hardware and software products and services to clients in high-speed railways, intercity railways, suburban railways, metro system and other fields. Its main products include vehicle-ground integrated PIS system, on-board integrated cloud integration platform, comprehensive monitoring system, and other products and solutions.
<b>Data &amp; Integration Services Business</b>	The Group’s data and integration services business targets in the railways transportation operation market, providing software and hardware products and services such as AFC/ACC system, big data solutions, intelligent subway business software, comprehensive intelligent operation and maintenance platform.
<b>Intelligent Infrastructure Business</b>	The Group’s intelligent infrastructure business focuses on the investment and operation of civil communication transmission systems for Beijing’s railways transportation, and at the same time by leveraging big data, artificial intelligence technology and others, the segment provides customers with “Intelligent+” services in relation to, among others, intelligent construction sites, intelligent themed parks, intelligent hubs, intelligent utility tunnels and intelligent micro-centres.



# Company Overview

## MARKET STRATEGY

The Group attained fruitful results by adhering to its market strategy of maintaining a strong foothold in Beijing and Hong Kong, stepping up its presence nationwide, and exploring international markets.

As at 30 June 2024, the Group's businesses covered 55 cities in 28 provinces, municipalities, autonomous regions and special administrative regions in China, where it provided products and services, including Intelligent Passenger Information Services, Data and Integration Services, and Intelligent Infrastructure. As for overseas market, it has expanded into 30 cities in 19 overseas countries and regions.

● Areas covered by our businesses in China



● Areas covered by our businesses overseas

## SUMMARY WITH FIGURES

The Group concentrated on railway transportation for

**19** YEARS

Its businesses covered

**55** CITIES

in China and

**30** CITIES

overseas in 19 countries and regions

It owned and

**141** **599**

PATENTS

SOFTWARE COPYRIGHTS

As at 30 June 2024, the orders on hand of the Group was approximately

**HK\$2.77** BILLION

## FINANCIAL HIGHLIGHTS<sup>(Note)</sup>

Revenue (HK\$ Thousand)



Operating profit (HK\$ Thousand)



Profit for the Period (HK\$ Thousand)



Profit attributable to equity shareholders (HK\$ Thousand)



Gross margin



Earnings per share (HK\$ cent)



Note: HK\$/RMB average exchange rate for first half of 2024 was approximately 0.9088 and for first half of 2023 was approximately 0.8886 respectively, representing an increase of approximately 2.3%.

# Management Discussion and Analysis

## MARKET AND BUSINESS ENVIRONMENT

The Group's business is strongly related to the development of the rail transit industry. Since the beginning of 2024, driven by the recovery of market demand, investment in the construction of rail transportation in Mainland China began to gain traction. In terms of investment amount, according to the data of China State Railway Group, fixed-asset investment in national railway construction amounted to approximately RMB337.3 billion in the first half of the year, representing a record-high year-on-year growth of approximately 10.6%. In terms of new rail mileage, according to the data of China Association of Metros, the newly added operating mileage of urban rail transit lines in the first half of the year was approximately 194.06 kilometers. In terms of passenger throughput, according to the data of the Ministry of Transport, the aggregate passenger volume by urban rail transit nationwide was approximately 15,664 million in the first half of the year, representing an increase of approximately 14.8% as compared with the same period last year. For Beijing's rail transit network, the total passenger volume was approximately 1,758 million, with an average daily passenger volume of approximately 9,659 thousand, representing a year-on-year increase of approximately 7.8%. Meanwhile, the mileage of urban rail transit operation in the world continued to maintain an increasing development trend in recent years. By the end of 2023, the total mileage of rail transit operation in each system exceeded 43,000 kilometers. It is expected that by the end of 2024, the mileage of urban rail transit operation in the world will exceed 45,000 kilometers.

The Group's business primarily focuses in Mainland China and Hong Kong, China, with gradual expansion into overseas markets such as India and Brazil in recent years. On the whole, in the the first half of the year, the investment and development speed in the global rail transit related market remained stable. In particular, the rebound in investments in the Chinese market and passenger volume, coupled with the needs for system renewal and renovation, created a favorable external market condition for the Group's core business. However, it is noteworthy that the Group's customers, which mainly include locomotive manufacturers and urban metro operators, have increasingly demanded cost reduction and efficiency improvement in recent years to enhance operational management efficiency. This has, to a certain extent, exerted pressure on the Group's profit margin. At the same time, the procurement pace in the industry is highly correlated with policies, and the expansion of the Group's orders has been affected by the fluctuations in procurement scale by the operators. Overall, market competition faced by the Group and difficulty in acquiring new projects have also intensified.

## BUSINESS REVIEW

### Overview

In the first half of the year, the Group actively responded to market changes internally and externally, accurately grasped market development trends and customer needs, actively explored domestic and overseas markets, and accelerated project construction and delivery, resulting in higher overall operating results as compared with the same period last year. During the Period, the Group recorded revenue of approximately HK\$469.0 million, representing a decrease of approximately 0.9% as compared with the same period last year. Gross profit was approximately HK\$189.7 million, representing an increase of approximately 0.7% as compared with the same period last year. The gross profit margin was approximately 40.4%, representing a year-on-year increase of approximately 0.6 percentage point. Profit attributable to equity shareholders amounted to approximately HK\$9.6 million, representing an increase of approximately 89.6% as compared with the same period last year.

In the first half of the year, the Group continued to adhere to its marketing strategy of “relying on Beijing and Hong Kong, stepping up its presence nationwide, and exploring international markets”, and achieved new results in market expansion. The Group entered the markets, such as Tangshan, for the first time in China, and opened up the markets in Cairo in Egypt, Amsterdam in the Netherlands, Rio de Janeiro in Brazil, and Merialpi in Chile for the first time overseas, with a cumulative business coverage of 55 cities in China, as well as 30 cities in 19 countries and regions overseas. In the first half of the year, the amount of newly contracted and bid-winning projects was approximately RMB830 million. As at 30 June 2024, the Group’s orders on hand amounted to approximately HK\$2.77 billion, an increase of approximately 9.5% from the end of 2023.

## FINANCIAL REVIEW

### Revenue

During the Period, the Group recorded revenue of approximately HK\$469.0 million, representing a decrease of approximately HK\$4.2 million or approximately 0.9% as compared with the same period last year. The Group’s revenue was mainly generated from the three core businesses, namely the intelligent passenger information services business, the data and integration services business, and the intelligent infrastructure business, which was approximately HK\$167.4 million, HK\$165.2 million, and HK\$136.4 million, respectively, accounting for approximately 35.7%, 35.2%, and 29.1% of the total revenue, respectively.

Revenue derived from the intelligent passenger information services business for the Period was approximately HK\$167.4 million, representing a decrease of approximately HK\$76.6 million or approximately 31.4% as compared with the same period last year. The decrease in the revenue of this segment was mainly due to fewer PIS projects reaching revenue recognition milestones during the Period.

Revenue derived from the data and integration services business for the Period was approximately HK\$165.2 million, representing a year-on-year increase of approximately HK\$22.0 million or approximately 15.4%. The increase in revenue of this segment was mainly due to the inclusion of revenue from the new Beijing Rail Transit AFC system 2.0 Project, the Beijing Rail Transit Line 12 AFC Project, and AFC system project of Phase I of Tianjin Metro Line 7 during the Period.



## Management Discussion and Analysis

Revenue derived from the intelligent infrastructure business for the Period was approximately HK\$136.4 million, representing a year-on-year increase of approximately HK\$50.4 million or approximately 58.6%. The increase in revenue derived from this segment was mainly due to the recognition of one-off revenue from the weak current system project on the Chongqing Bishan-Tongliang line's suburban railway PPP (Public-Private-Partnership) project during the Period as well as the development of civil communications business.

By geographical region of our direct customers, during the Period, the Group recorded revenue of approximately HK\$455.5 million in Mainland China, representing an increase of approximately HK\$7.4 million or approximately 1.7% as compared with the same period last year. The Group recorded revenue of approximately HK\$11.0 million from Hong Kong during the Period, representing an increase of approximately HK\$1.2 million or approximately 12.0% as compared with the same period last year, which was mainly attributable to an increase in one-time spare part orders during the Period; and the Group recorded revenue of approximately HK\$2.5 million in the Indian market during the Period, representing a decrease of approximately HK\$12.8 million or approximately 83.9% compared with the same period last year, mainly due to the completion of Mumbai Metro Lines 2 and 7 in the previous period and the fact that the Pune Metro Line 3 project and other projects did not reach revenue recognition milestones during the Period. Specifically, according to the preliminary statistics, by project location, revenue from overseas projects (including India and other overseas markets) was approximately HK\$4.4 million, as compared to that of approximately HK\$15.9 million for the same period last year.

### Cost of sales and gross profit

During the Period, the Group's cost of sales was approximately HK\$279.3 million, representing a decrease of approximately HK\$5.5 million or approximately 1.9% as compared with the same period last year. The Group's gross profit was approximately HK\$189.7 million, representing an increase of approximately HK\$1.3 million or approximately 0.7% as compared with the same period last year. The decrease in cost of sales as compared with the same period last year and the increase in gross profit were primarily due to the increased revenue from the intelligent infrastructure business segment, which generally has a higher gross profit margin, leading to an overall increase in gross profit.

### Selling, general and administrative expenses

The Group's selling, general and administrative expenses for the Period were approximately HK\$106.1 million, representing a decrease of approximately HK\$4.1 million or approximately 3.7% from the same period last year, mainly due to the Group's cost reduction and efficiency enhancement measures.

### R&D expenses

The Group's R&D expenses for the Period amounted to approximately HK\$83.1 million, representing a decrease of approximately HK\$5.7 million or approximately 6.5% compared with the same period last year. This was mainly due to the improvement of the Group's R&D efficiency.

### Share of results of joint ventures and associates

The Group's investment returns for the Period amounted to approximately HK\$2.4 million, representing a decrease of approximately HK\$6.6 million compared with the same period last year. Such decrease was mainly due to the reduced profits from the Group's joint venture Metro Technology.

# Management Discussion and Analysis

## Gains and losses on changes in fair value

The Group recorded a fair value loss of approximately HK\$1.8 million during the Period. The increase in losses from changes in fair value was mainly due to changes in the fair value of the Group's investments, Youdao Technology Co., Ltd. ("Youdao Technology") and Cornerstone Huiying.

## Profit attributable to equity shareholders of the Company

As a result of the above, the profit attributable to equity shareholders of the Group for the Period was approximately HK\$9.6 million, representing an increase of approximately 89.6% as compared with the same period last year.

## Liquidity, financial and capital resources

### Capital structure

As at 30 June 2024, the Group's issued share capital consisted of 2,097,146,727 ordinary shares of HK\$0.01 each (as at 31 December 2023: 2,097,146,727 ordinary shares of HK\$0.01 each).

### Cash position

As at 30 June 2024, the Group's cash and bank balances were approximately HK\$675.0 million (as at 31 December 2023: approximately HK\$697.1 million).

The Group's net cash outflow from operating activities for the Period was approximately HK\$4.1 million, representing a decrease of approximately HK\$46.0 million in net outflow compared with the same period last year, mainly due to increased collections during the Period.

### Bank borrowings and pledged assets of the Group

As at 30 June 2024, the Group's borrowings were approximately HK\$341.7 million (as at 31 December 2023: approximately HK\$331.4 million), of which (i) HK\$255 million was derived from the borrowing from a subsidiary of BII, the Company's ultimate holding company; (ii) approximately HK\$81.0 million was bank borrowings; and (iii) the remaining was the Group's factoring finance payables of approximately HK\$5.8 million.

In respect of the Group's borrowings of HK\$255 million, as at 30 June 2024, the rights and interests in 51% of the issued share capital of Great Legend, a wholly-owned subsidiary of the Group, held by the Company were charged in favour of a subsidiary of the ultimate holding company of the Company.

In respect of the Group's factoring finance payables of HK\$5.8 million, as at 30 June 2024, trade receivables amounted to HK\$10,037,000 have been pledged as security for the Group's borrowings.

### Working capital and Gearing ratio

As at 30 June 2024, the Group had current assets of approximately HK\$2,981.6 million (as at 31 December 2023: approximately HK\$2,922.3 million), while its current liabilities were approximately HK\$1,681.2 million (as at 31 December 2023: approximately HK\$1,560.6 million), resulting in net current assets of approximately HK\$1,300.5 million (as at 31 December 2023: approximately HK\$1,361.7 million). As at 30 June 2024, the current ratio, calculated based on current assets divided by current liabilities, was approximately 1.8 (as at 31 December 2023: approximately 1.9).

## Management Discussion and Analysis

Gearing ratio is calculated based on total debts at the end of a period divided by total assets at the end of such period multiplied by 100%. As at 30 June 2024, the Group's gearing ratio was approximately 38.4% (as at 31 December 2023: approximately 36.2%).

### Exposure to currency risk

The Group has six main operating subsidiaries, one was incorporated in Hong Kong and the other five were established in mainland China. All of these subsidiaries earn revenue and incur cost in their local currencies. The Directors consider that the impact of foreign exchange exposure on the Group is minimal.

### Contingent liabilities

As at 30 June 2024, the Group did not have any material contingent liabilities (as at 31 December 2023: nil).

## BUSINESS ANALYSIS BY SEGMENT

During the Period, the Group adhered to its established strategic direction, focusing on R&D and innovation as its foundation, achieving customer success as its core mission, and upholding value thinking, efficiency orientation, and product-driven strategy. It consolidated the "3+2" business structure, focusing on the three core businesses of intelligent passenger information services, data and integration services, and intelligent infrastructure services, implementing auxiliary guarantee measures to continuously enhance product competitiveness and service levels.

### Intelligent Passenger Information Service Business

The intelligent passenger information services business focuses on passenger mobility application scenarios. Its main products include integrated PIS system, on-board integrated cloud based platform, comprehensive monitoring and other products and solutions.

Revenue derived from the intelligent passenger information services business for the Period was approximately HK\$167.4 million, representing a decrease of approximately HK\$76.6 million or approximately 31.4% as compared with the same period last year. Gross profit was approximately HK\$92.7 million, representing a decrease of approximately 22.2% as compared with the same period last year, mainly due to fewer PIS projects reaching revenue recognition milestones during the Period. The amount of newly contracted and bid-winning projects was approximately RMB440 million.

During the Period, the Group continued to enhance its presence in the domestic market, riding on its advantages, winning new orders in key markets such as Shenzhen, Chengdu, and Nanjing, and successfully winning the overhaul project of Kunming Metro Line 12 Phase I, valued at RMB32.0 million, exploring new growth points in renovation business. The Group also made new breakthroughs in overseas market expansion, successfully signing the Cairo Metro Line 4 LCD display screen project in Egypt, valued at RMB18.78 million and the CAF Netherlands NSDD double-decker train display system project, valued at RMB23.21 million. Through cooperation with internationally renowned manufacturers, the Group's products were introduced to the Western European rail transit market for the first time, further enhancing its brand image in the international market.

# Management Discussion and Analysis

## Data and Integration Services Business

The data and integration services business primarily targets the operational management application scenarios of metro operators. The principal business covers AFC/ACC System, TCC/COCC, professional weak current and communication integration services, and provides intelligent hardware and software products and services such as rail cloud and urban rail big data.

Revenue derived from the data and integration services business for the Period was approximately HK\$165.2 million, representing a year-on-year increase of approximately HK\$22.0 million or approximately 15.4%. Gross profit was approximately HK\$30.4 million, representing a decrease of approximately 8.4% as compared with the same period last year, mainly due to the low gross profit of the Beijing Rail Transit Line 12 AFC Project and the Beijing Rail Transit AFC 2.0 Project with one-off revenue recognised during the Period. The amount of newly contracted and bid-winning projects was approximately RMB200 million.

During the Period, the Group continued to consolidate its advantageous position of traditional business in the existing market, successfully signing the Beijing Rail Transit AFC 2.0 system project, further enhancing customer stickiness by optimizing service content. Meanwhile, it actively expanded its market territory, successfully signing the Shenyang Metro Line 3 Phase I AFC project, valued at approximately RMB77.9 million, which also marks the Group's AFC products' first entry into the Shenyang market. In addition, the Group efficiently advanced key ongoing projects, successfully completing the acceptance and delivery of the branch line's three stations of the Shaoxing Rail Transit Line 1 weak current general integration project during the Period, which provided a strong support for the opening of such line on time.

## Intelligent Infrastructure Business

The intelligent infrastructure business focuses on the investment and operation of civil communication transmission systems for Beijing's rail transportation. At the same time, based on technologies such as big data and artificial intelligence, it provides customers with "intelligent+" services such as intelligent construction sites, intelligent theme parks, intelligent hubs, intelligent utility tunnels and intelligent micro-centres.

Revenue derived from the intelligent infrastructure business for the Period was approximately HK\$136.4 million, representing a year-on-year increase of approximately HK\$50.4 million or approximately 58.6%. Gross profit was approximately HK\$66.5 million, representing an increase of approximately 84.2% as compared with the same period last year, mainly due to the increase in revenue from civil communications business with a relatively high gross profit. The amount of newly contracted and bid-winning projects was approximately RMB190 million.

During the Period, the Group continued to consolidate its traditional civil communications business with addition of total 30 station civil communication facilities and 4G transmission systems in Beijing Metro Lines 3 and 12. The Group actively explored new growth points in its business, integrating and optimizing its existing business model, clarifying the four value-added business development directions of broadband network, computing bandwidth, mobile connection, and data services. Based on the foundations established in the previous year, it further expanded the scale of its metro edge cloud business, leveraging resource advantages to actively explore new markets such as computing power services, the Internet of Things, and dedicated line services for theme parks, successfully signing three projects for dedicated line services for parks, striving to provide customers with customized information and communication solutions.

## Management Discussion and Analysis

In the “intelligent+” business segment, which focuses on application scenarios such as integrated utility tunnels, construction sites, communities, parks, highways, and micro-centres, the Group actively explored market demand, successfully signing the Daxing Airport Expressway intelligent control platform upgrade project, under which the Group improved functional modules with the latest technology products, assisting customers in achieving goals of cost reduction, efficiency enhancement, and precise dispatching. The Group also successfully signed the gas extinguishing system equipment implementation project for Beijing Sub-Center Railway Station Comprehensive Hub. This marks the Group’s first entry into the fire protection field, promotes the localization of hub and rail fire protection, and signifies a move towards diversification in the Group’s “intelligent+” business.

### Investments in Joint Ventures and Associates

In the first half of the year, the Group focused on optimizing its industrial layout and strengthening industrial ecosystem by enhancing post-investment management, paying close attention to the strategic decision-making, team building, management methods, and product portfolio of its investments, aiming to achieve business synergy and capital appreciation through the provision of multi-dimensional systematic empowerment solutions. During the period, the main operation of the companies the Group invested in are as follows:

- Capital Metro, continued to ensure the stable operation of the Beijing Subway Capital Airport Express in Beijing and Hangzhou-Shaoxing Line and Shaoxing Metro Line 1 outside Beijing, steadily advancing projects such as the reconstruction and expansion of the train maintenance depot of the Capital Airport Express, additional vehicle purchases, and factory repairs, further improving service quality.
- Metro Technology, based on consolidating its main businesses of AFC operation and maintenance and system integration, continued to strengthen the external expansion of its self-developed new products, actively participating in the intelligence-based operation of the Capital Airport Express, utilizing technological innovation to assist in Beijing’s intelligent metro construction.
- Ruubypay continuously explored deep integration with platforms such as Beijing Subway 96123, Douyin, and Didi to provide passengers with “one QR code for all” convenient services. In the first half of the year, the Yitongxing APP under Ruubypay had approximately 39.7 million registered users, representing a year-on-year increase of over 10%, with its internet platform business accounting for approximately 63% of the total gate traffic of the Beijing Metro network.
- Youdao Technology strengthened customer relationships through the “integration of research, production, and sales” model, connecting upstream and downstream resources of enterprise education in the transportation industry, actively creating a platform company spanning industry and education. It held multiple national, industrial and provincial competitions to lay a solid foundation for subsequent new product sales.
- Since its establishment, SmartTOD Technology has focused on developing rail transportation intelligence, smart city industry development, and new digital infrastructure construction in integrated transportation hubs. In the first half of the year, SmartTOD Technology closely followed preliminary works of multiple projects such as the Beijing Municipal Administrative Center hub project, laying a foundation for the smooth implementation of projects.

## Management Discussion and Analysis

- Through participating in the investments of Cornerstone Lianying and Cornerstone Huiying, the Group deeply explored the rail transit industry chain, reserved quality projects and identified potential investment opportunities. Currently, both funds have entered the investment payoff and exit from some projects as planned in the first half of the year, from which we obtained reasonable investment returns.

### R&D and Innovation

The Group adheres to the core strategic concept of “R&D + Innovation,” focusing on the development of new quality productive forces, keeping abreast of the forefront of industry technological development, and dedicating to make a breakthrough in core technological innovation. By formulating synergistic development strategies, the Group actively promotes the integration of internal scientific research resources, realizing the deep fusion of technological transformation and management innovation, thereby further enhancing the Group’s innovation capability and R&D efficiency.

In the first half of the year, the Group spent approximately HK\$83.1 million on R&D, representing a decrease of approximately 6.5% as compared with the same period last year, mainly due to the improvement of the Group’s R&D efficiency. As at 30 June 2024, the Group possessed 141 patents and 599 software copyrights.

In terms of research projects, the Group advanced the research and development of 15 research projects in an orderly manner, and completed the acceptance of the “Key Technologies and Applications Research for Intelligent Travel in Dongba” project during the Period. This project is based on the construction of a low-carbon transportation system and the “dual carbon” goal, conducting in-depth research on digital micro-centres to create Beijing’s first intelligent transportation demonstration zone, promoting intelligent and green urban transportation systems, and providing technical support for low-carbon city construction.

In terms of product applications, during the Period, the Group focused on the three business segments, promoting the implementation and transformation of a total of 8 innovative products. In particular, in the intelligent passenger information services segment, through technical upgrades of the integrated train intelligent analysis host, the Group further enhanced the accuracy of system analysis on carriage congestion, abnormal passenger behavior, and driver behavior, improving the intelligence and automation level of train operations. This product has been successfully implemented and commercialized in the Ningbo Metro Line 3. In the data and integration services segment, the Group upgraded and optimized the intelligent operation and maintenance management platform product, comprehensively enhancing the platform’s capability in fault management, diagnosis, and emergency responses by constructing cross-disciplinary equipment association topological maps and multi-disciplinary fault association analysis models. This upgraded platform will be deployed in the Beijing Municipal Administrative Center Hub Asset operation and maintenance project. In the intelligent infrastructure segment, the Group developed and implemented the Smart Park Platform V1.0, integrating comprehensive sensory, security center, service center, and platform management as four core functions. Currently, this platform has been implemented in the park of BII, promoting the comprehensive digital and intelligent management and control of parks.

## Management Discussion and Analysis

### BUSINESS PROSPECTS

According to the statistics from the National Bureau of Statistics, in the first half of the year, China's gross domestic product grew by approximately 5.0% from the same period last year, and infrastructure investment grew by approximately 7.2% from the same period last year, which is higher than the growth rate of other types of asset investments. As an important economic driver, the rail transportation industry has also shown a good trend recently. From the perspective of demand side, in the first half of the year, about 30 cities in China had either been studying, planning or submitted subway plans. The number of approved lines for urban rail projects and municipal/intercity railways was 13, representing an increase of 2 as compared to the same period last year, with a total mileage of approximately 612.2 kilometers, representing an increase of approximately 179.1 kilometers as compared to the same period last year. The rail transportation industry was in favourable market conditions for its long-term development. From the perspective of demand structure, taking the urban rail onboard PIS segment as an example, in 2023, the proportion of domestic renovation demand in China accounted for the overall market demand increased by approximately 9.3 percentage points as compared to the early stage of the "14th Five-Year Plan". This indicates that the market share focusing on repair, maintenance, and upgrading is gradually increasing, becoming a driver for sustainable growth.

In the future, the Group will actively follow industry trends, maintain its pace with market and technological developments, further enhance competitiveness, and achieve sustainable development. To this end, the Group will continue to enhance the "3+2" business layout and implement precise measures to promote the high-quality development of various businesses. For key projects, the Group will enhance refined management, accurately identify and effectively meet customer needs, and ensure that projects are completed on time and with high quality. Meanwhile, the Group will increase efforts in market expansion, leverage the Group's platform advantages, integrate resources, accelerate domestic and overseas market penetration, and broaden its business scope. In terms of investment management, the Group will adopt a differentiated strategy to guide its investments to focus on core areas for specialised development, and enhance synergistic development efficiency through strengthening internal management in finance, compliance, and auditing. In addition, the Group will focus on the introduction and training of technological talents, integrate R&D resources, strengthen the intrinsic motivation for technological innovation, accelerate the transformation and application of technological achievements, and enhance the Group's core competitiveness as a technology-based enterprise in the intelligent rail transportation field.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 624 employees (as at 30 June 2023: 729).

In the first half of 2024, total staff costs (including directors' remuneration) were approximately HK\$114.3 million (first half of 2023: approximately HK\$131.0 million).

The Group reviews the remuneration packages with reference to the market salary level and the performance of the employees, and adjusts the remuneration according to the employee's rank. In addition to basic remuneration, the Group also pays bonus based on its performance and staff's contribution to the Group. Other benefits include social insurance scheme in China, provident fund, supplementary medical insurance in Mainland China, contribution to the MPF Scheme and insurances in Hong Kong. The Group also organised professional and vocational trainings for its employees.

## INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil). The Group will retain cash to fund its continued business development and future investment opportunities.

## SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS

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

Capital Metro is a private company and there is no quotable share price available. As at 30 June 2024, the amount of Capital Metro in the Group's net asset value accountable by using equity method is approximately HK\$254.0 million, accounting for approximately 5.8% of the Group's total assets as at 30 June 2024. In the first half of 2024, the Group's share of the profit of Capital Metro was approximately HK\$10.7 million.

Save as disclosed above, there were no other significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies, and other plans for material investments or capital assets for the six months ended 30 June 2024.



# Management Discussion and Analysis

## RISK FACTOR ANALYSIS

### Risks from Macroeconomy

Currently, the Chinese economy reflects an upward trend, but the adverse effects brought by changes in the external environment have increased, there is insufficient effective domestic demand, economic operations have become diverged, and there are still many risks and hidden dangers in key areas. The transformation between new and old driving forces faces some pain points. The uncertainties in the external environment may bring issues such as trade and financial market volatility, triggering chain reactions that impact the investment atmosphere. To address such risks, the Group will enhance risk awareness, enhance market research, make accurate risk predictions, and adjust strategies in a timely manner to ensure the stability of the company's development.

### Risk of Changes in Business Environment

With the development of the rail transportation industry, the demand from urban subway operators and vehicle manufacturers has shown a trend of diversification, and the regional characteristics of procurement have become more prominent. This poses new challenges to the Group's business configuration and service model. In the future, the Group will further intensify its efforts in the domestic market, focus on integrating with local industrial ecosystems, optimize resource allocation, strengthen strategic coordination with local governments and partners, and enhance its business response speed and service quality to increase user loyalty.

### Risk of Technological Competition

The rapid iteration of technology and the continuous emergence of innovative applications in the rail transportation industry pose higher requirements for the Group's technology R&D and product updates. The Group needs to continue to keep up with technological trends, timely integrate cutting-edge technologies such as edge cloud computing, industry-specific large models, and big data into its products and services, further empower traditional businesses, enhance the added value of traditional businesses, and achieve business transformation and upgrading. In the future, the Group will maintain high levels of R&D investment to accelerate technology transformation and application innovation, ensuring its competitive advantage in a fiercely contested market.

# Other Information

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

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap 571 of the Laws of Hong Kong (the "SFO")) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules were as follows:

### Long positions in shares and underlying shares

Name of Director	The Company/ Name of associated corporation	Capacity	Number of shares	Approximate percentage of issued share capital of the Company/ associated corporation
Mr. Cao Mingda <sup>Note</sup>	The Company	Founder of a discretionary trust who can influence how the trustees exercises its discretion	244,657,815	11.66%

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

Save as disclosed in this report, as at 30 June 2024, so far as was known to the Directors or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## Other Information

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

As at 30 June 2024, so far as was known to the Directors or the chief executive of the Company, the persons (other than the Directors and the chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

#### Long positions in shares and underlying shares of the Company

Name of substantial shareholder	Capacity	Number of shares	Approximate percentage of issued share capital of the Company
BII HK	Beneficial owner <sup>(Note 1)</sup>	1,157,634,900	55.20%
BII	Interest of controlled corporation <sup>(Note 1)</sup>	1,157,634,900	55.20%
More Legend	Beneficial owner <sup>(Note 2)</sup>	244,657,815	11.66%
Toplight Management Limited	Interest of controlled corporation <sup>(Note 2)</sup>	244,657,815	11.66%
Trident Trust Company (Cayman) Limited	Trustee <sup>(Note 2)</sup>	244,657,815	11.66%
Ms. Pang Ziqian (" <b>Ms. Pang</b> ")	Interest of spouse <sup>(Note 3)</sup>	244,657,815	11.66%
China Property and Casualty Reinsurance Company Ltd.* (中國財產再保險有限責任公司)	Beneficial owner <sup>(Note 4)</sup>	125,721,534	5.99%
China Reinsurance (Group) Corporation* (中國再保險(集團)股份有限公司)	Interest of controlled corporation <sup>(Note 4)</sup>	125,721,534	5.99%
Central Huijin Investment Ltd.	Interest of controlled corporation <sup>(Note 4)</sup>	125,721,534	5.99%

\* For identification purposes only

### Notes:

1. BII HK is a wholly-owned subsidiary of BII, a company established under PRC law with limited liability and wholly owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. By virtue of the SFO, BII is deemed to be interested in the 1,157,634,900 shares of the Company owned by BII HK.
2. More Legend is a wholly-owned subsidiary of Toplight Management Limited and Trident Trust Company (Cayman) Limited is interested in all the shares in Toplight Management Limited as trustee of the trust. By virtue of the SFO, Toplight Management Limited and Trident Trust Company (Cayman) Limited are deemed to be interested in 244,657,815 shares of the Company owned by More Legend.
3. Ms. Pang is the spouse of Mr. Cao Mingda and by virtue of the SFO, is deemed to be interested in the 244,657,815 shares of the Company which Mr. Cao Mingda is interested in.
4. China Property and Casualty Reinsurance Company Ltd.\* which hold 125,721,534 shares of the Company is a wholly-owned subsidiary of China Reinsurance (Group) Corporation\*, which is in turn owned as to 71.56% by Central Huijin Investment Ltd. By virtue of the SFO, China Reinsurance (Group) Corporation\* and Central Huijin Investment Ltd. are deemed to be interested in the 125,721,534 shares of the Company owned by China Property and Casualty Reinsurance Company Ltd.\*.

Save as disclosed above, as at 30 June 2024, the Directors have not been notified by any person (other than the Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### MODEL CODE FOR SECURITIES TRANSACTIONS

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

Specific enquiry has been made with all the Directors and employees to whom the Securities Dealing Code applies. The Directors have confirmed that they have complied with the Securities Dealing Code and Model Code throughout the six months ended 30 June 2024. No incident of non-compliance with the Securities Dealing Code by the employees was noted by the Company.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at the 30 June 2024, neither the Company nor any of its subsidiaries held any treasury shares.

### SHARE OPTION SCHEME

During the reporting period, the Company did not implement nor had an on-going share option scheme.

\* For identification purposes only

## Other Information

### CHANGES IN DIRECTORS' INFORMATION

Changes in directors' information which is required to be disclosed pursuant to Rules 13.51(2) and 13.51B of the Listing Rules are set out below:

1. Mr. Liu Yu, executive Director and CEO, resigned as chairman of Litmus with effect from 11 July 2024.
2. Ms. Hou Weiwei, a former non-executive Director, resigned as a non-executive Director with effect on 8 August 2024.
3. Ms. Zhao Jingyuan was appointed as an executive Director with effect on 8 August 2024.
4. Mr. Fang Zhiwei was appointed as a non-executive Director with effect on 8 August 2024.

### AUDIT COMMITTEE

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

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

As at 30 June 2024, the Audit Committee comprises three independent non-executive Directors, namely Mr. Luo Zhenbang (Chairman of the Audit Committee), Mr. Huang Lixin and Mr. Li Wei.

### REVIEW OF INTERIM FINANCIAL REPORT

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

In addition, the Audit Committee has also reviewed the interim financial report of the Group for the six months ended 30 June 2024 and had discussed with the management of the Company and Baker Tilly Hong Kong Limited, including the review of the accounting principles and practices adopted by the Group, and is of the opinion that such financial report complies with applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

### COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board considers that the Company has complied with the Corporate Governance Code as set out in Appendix C1 of the Listing Rules during the six months ended 30 June 2024.

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no other material events after the reporting period as at the date of this report.

# Definitions

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

## Definitions

Board of Directors	“Board”
Great Legend Development Limited	“Great Legend”
Litmus Technologies (Beijing) Co., Ltd.* (北京樂碼仕智能科技有限公司)	“Litmus”
More Legend Limited	“More Legend”
Ordinary share(s) of HK\$0.01 each in the share capital of the Company	“Share(s)”
Passenger Information System (乘客信息系統)	“PIS”
Shareholder(s) of the Company	“Shareholder(s)”
Suzhou Huaqi Intelligent Technology Co., Ltd.* (蘇州華啟智能科技股份有限公司)	“Huaqi Intelligent”
the director(s) of the Company	“Director(s)”
The Rules Governing the Listing of Securities on the Stock Exchange	“Listing Rules”
The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)	“Stock Exchange”
Traffic Control Centre/Command Operation Control Center (線網指揮中心)	“TCC”, “COCC”

\* For identification purposes only



# Interim Review Report



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

## INTRODUCTION

We have reviewed the interim financial report set out on pages 25 to 50 which comprises the condensed consolidated statement of financial position of BII Railway Transportation Technology Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2024 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34.

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

## SCOPE OF REVIEW

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

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34.

**Baker Tilly Hong Kong Limited**

*Certified Public Accountants*

Hong Kong, 27 August 2024

**Wan Wing Ping**

Practising Certificate Number P07471

# Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024 (Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Revenue</b>	4	<b>468,982</b>	473,188
Cost of sales		<b>(279,332)</b>	(284,813)
<b>Gross profit</b>		<b>189,650</b>	188,375
Other income		<b>8,060</b>	13,995
Selling, general and administrative expenses		<b>(106,122)</b>	(110,231)
Impairment loss on trade, bills and other receivables and contract assets		<b>(864)</b>	(3,214)
Research and development expenses		<b>(83,119)</b>	(88,865)
<b>Profit from operations</b>		<b>7,605</b>	60
Finance costs	5(a)	<b>(4,599)</b>	(5,293)
Share of results of joint ventures and associates		<b>2,429</b>	9,016
Fair value change on other financial assets		<b>(1,808)</b>	(336)
<b>Profit before taxation</b>	5	<b>3,627</b>	3,447
Income tax	6	<b>18</b>	(815)
<b>Profit for the period</b>		<b>3,645</b>	2,632
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>9,636</b>	5,081
Non-controlling interests		<b>(5,991)</b>	(2,449)
<b>Profit for the period</b>		<b>3,645</b>	2,632
<b>Earnings per share</b>			
Basic and diluted (HK\$)	7	<b>0.0046</b>	0.0024

The notes on pages 31 to 50 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 16.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024 (Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Profit for the period</b>	<b>3,645</b>	2,632
<b>Other comprehensive income/(expense) for the period, net of tax:</b>		
Items that will not be reclassified to profit or loss:		
Other financial assets designated at fair values through other comprehensive income, net of tax	<b>(4,682)</b>	(4,884)
Share of other comprehensive expense of a joint venture	–	(599)
	<b>(4,682)</b>	(5,483)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<b>(17,174)</b>	(74,169)
<b>Other comprehensive expense for the period</b>	<b>(21,856)</b>	(79,652)
<b>Total comprehensive expense for the period</b>	<b>(18,211)</b>	(77,020)
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(11,856)</b>	(71,539)
Non-controlling interests	<b>(6,355)</b>	(5,481)
<b>Total comprehensive expense for the period</b>	<b>(18,211)</b>	(77,020)

The notes on pages 31 to 50 form part of this interim financial report.

# Condensed Consolidated Statement of Financial Position

As at 30 June 2024 (Expressed in Hong Kong dollars)

	Note	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	8	219,912	223,083
Intangible assets		190,643	195,606
Goodwill	9	551,894	555,853
Interests in joint ventures and associates		379,914	380,125
Other financial assets		193,827	202,735
Deferred tax assets		34,079	29,026
		<b>1,570,269</b>	1,586,428
<b>Current assets</b>			
Inventories		507,714	363,756
Contract assets	10(a)	764,537	714,262
Trade and other receivables	11	1,034,128	1,146,043
Current tax recoverable		257	1,064
Cash and cash equivalents	12	674,993	697,130
		<b>2,981,629</b>	2,922,255
<b>Current liabilities</b>			
Trade and other payables	13	1,208,465	1,139,474
Contract liabilities	10(b)	95,919	45,800
Bank borrowings	14	80,958	76,421
Other borrowings	15	260,752	255,000
Lease liabilities		17,331	14,074
Current tax payable		14,071	24,867
Provision for warranties		3,661	4,952
		<b>1,681,157</b>	1,560,588
<b>Net current assets</b>		<b>1,300,472</b>	1,361,667
<b>Total assets less current liabilities</b>		<b>2,870,741</b>	2,948,095

## Condensed Consolidated Statement of Financial Position

As at 30 June 2024 (Expressed in Hong Kong dollars)

	Note	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
<b>Non-current liabilities</b>			
Lease liabilities		26,565	24,835
Contingent considerations		1,984	1,998
Deferred tax liabilities		35,336	38,084
Provision for warranties		1,882	4,329
		<b>65,767</b>	69,246
<b>NET ASSETS</b>		<b>2,804,974</b>	2,878,849
<b>CAPITAL AND RESERVES</b>			
Share capital		20,971	20,971
Reserves		2,622,562	2,686,847
<b>Total equity attributable to equity shareholders of the Company</b>		<b>2,643,533</b>	2,707,818
Non-controlling interests		161,441	171,031
<b>TOTAL EQUITY</b>		<b>2,804,974</b>	2,878,849

The notes on pages 31 to 50 form part of this interim financial report.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 (Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Fair value reserve (non-recycling) HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
<b>Balance at 1 January 2023</b> (audited)	20,971	1,662,190	26,362	86,828	-	(115,302)	892,366	2,573,415	76,378	2,649,793
<b>Changes in equity for six months ended 30 June 2023:</b>										
Profit for the period	-	-	-	-	-	-	5,081	5,081	(2,449)	2,632
Other comprehensive expense	-	-	-	-	(5,483)	(71,137)	-	(76,620)	(3,032)	(79,652)
Total comprehensive expense	-	-	-	-	(5,483)	(71,137)	5,081	(71,539)	(5,481)	(77,020)
Dividends approved in respect of the previous year (Note 16(b))	-	(54,526)	-	-	-	-	-	(54,526)	-	(54,526)
<b>Balance at 30 June 2023</b> (unaudited)	20,971	1,607,664	26,362	86,828	(5,483)	(186,439)	897,447	2,447,350	70,897	2,518,247
<b>Balance at 1 January 2024</b> (audited)	20,971	1,607,664	53,480	98,473	51,211	(179,015)	1,055,034	2,707,818	171,031	2,878,849
<b>Changes in equity for six months ended 30 June 2024:</b>										
Profit for the period	-	-	-	-	-	-	9,636	9,636	(5,991)	3,645
Other comprehensive expense	-	-	-	-	(4,682)	(16,810)	-	(21,492)	(364)	(21,856)
Total comprehensive expense	-	-	-	-	(4,682)	(16,810)	9,636	(11,856)	(6,355)	(18,211)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(3,235)	(3,235)
Dividends approved in respect of the previous year (Note 16(b))	-	(52,429)	-	-	-	-	-	(52,429)	-	(52,429)
	-	(52,429)	-	-	-	-	-	(52,429)	(3,235)	(55,664)
<b>Balance at 30 June 2024</b> (unaudited)	20,971	1,555,235	53,480	98,473	46,529	(195,825)	1,064,670	2,643,533	161,441	2,804,974

The notes on pages 31 to 50 form part of this interim financial report.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024 (Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Operating activities</b>			
Cash generated from/(used in) operations		<b>8,976</b>	(32,596)
Interest received		<b>1,904</b>	2,439
Income tax paid		<b>(14,991)</b>	(19,895)
<b>Net cash used in operating activities</b>		<b>(4,111)</b>	(50,052)
<b>Investing activities</b>			
Payment for the purchase of property, plant and equipment and intangible assets		<b>(11,998)</b>	(14,851)
Proceeds from disposal of property, plant and equipment		<b>1</b>	2
Dividends received from associates		<b>3,446</b>	2,700
<b>Net cash used in investing activities</b>		<b>(8,551)</b>	(12,149)
<b>Financing activities</b>			
Payment for acquisition of non-controlling interests of a subsidiary		<b>(605)</b>	(45,802)
Proceeds of bank and other borrowings		<b>63,697</b>	45,009
Repayment of bank borrowings		<b>(52,817)</b>	(15,753)
Capital element of lease rentals paid		<b>(7,594)</b>	(5,846)
Interest element of lease rentals paid		<b>(873)</b>	(889)
Interest paid		<b>(3,738)</b>	(4,417)
Dividends paid to non-controlling interests		<b>(3,235)</b>	–
<b>Net cash used in financing activities</b>		<b>(5,165)</b>	(27,698)
<b>Net decrease in cash and cash equivalents</b>		<b>(17,827)</b>	(89,899)
<b>Cash and cash equivalents at 1 January</b>	12	<b>568,331</b>	667,370
<b>Effect of foreign exchange rate changes</b>		<b>(3,531)</b>	(14,727)
<b>Cash and cash equivalents at 30 June</b>	12	<b>546,973</b>	562,744

The notes on pages 31 to 50 form part of this interim financial report.

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 1 GENERAL INFORMATION

BII Railway Transportation Technology Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 7 January 2011 as an exempted company with limited liability under the Companies Law (2011 Revision), Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is Room 2502, 25/F, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Hong Kong.

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

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all amounts have been rounded to the nearest thousand (“HK\$’000”), unless otherwise indicated.

## 2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 27 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual consolidated financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual consolidated financial statements. Details of these changes in accounting policies are set out in Note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual consolidated financial statements. The interim financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).



# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: Disclosures – Supplier finance arrangement*

None of these amendments have had material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 4 REVENUE AND SEGMENTS REPORTING

### (a) Revenue

The principal activities of the Group are (i) provision of hardware and software products and services of high-speed railways, intercity railways, suburban railways and metro system; (ii) provision of hardware and software products and services of intelligent railways transportation and intelligent operation and maintenance; (iii) provision of information system services of civil communication transmission systems, utility tunnel areas and integrated transportation hubs; and (iv) investment in the railway transportation and infrastructure areas through investing in equity.

### DISAGGREGATION OF REVENUE

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

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Disaggregated by major service lines		
– Revenue from intelligent passenger information services	<b>167,374</b>	243,942
– Revenue from data and integration services	<b>165,240</b>	143,247
– Revenue from intelligent infrastructure	<b>136,368</b>	85,999
	<b>468,982</b>	473,188
Disaggregated by geographical location of customers		
– Mainland China	<b>455,541</b>	448,096
– Hong Kong	<b>10,979</b>	9,802
– Overseas	<b>2,462</b>	15,290
	<b>468,982</b>	473,188

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

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 4 REVENUE AND SEGMENTS REPORTING (CONTINUED)

### (b) Segments reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessments, the Group has identified four reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Intelligent passenger information services: this segment provides hardware and software products and services of high-speed railways, intercity railways, suburban railways and metro system.
- Data integration services: this segment provides hardware and software products and services of intelligent railways transportation and intelligent operation and maintenance.
- Intelligent infrastructure: this segment provides information system services of civil communication transmission systems, utility tunnel areas and integrated transportation hubs.
- Business development investment: this segment manages the equity investments in railway transportation and infrastructure areas.

### (i) SEGMENTS RESULTS

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

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

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

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 4 REVENUE AND SEGMENTS REPORTING (CONTINUED)

#### (b) Segments reporting (continued)

##### (i) SEGMENTS RESULTS (CONTINUED)

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2024 and 2023 is set out below.

	Six months ended 30 June 2024				
	Intelligent passenger information services HK\$'000 (unaudited)	Data and integration services HK\$'000 (unaudited)	Intelligent infrastructure HK\$'000 (unaudited)	Business development investment HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Disaggregated by timing of revenue recognition</b>					
Point in time	164,494	116,450	29,740	–	310,684
Over time	2,880	48,790	106,628	–	158,298
Revenue from external customers	167,374	165,240	136,368	–	468,982
Inter-segment revenue	167	1,872	1,108	–	3,147
Reportable segments revenue	167,541	167,112	137,476	–	472,129
Reportable segments profit	92,684	30,429	66,537	–	189,650
Share of results of joint ventures and associates	–	–	–	2,429	2,429

	Six months ended 30 June 2023				
	Intelligent passenger information services HK\$'000 (unaudited)	Data and integration services HK\$'000 (unaudited)	Intelligent infrastructure HK\$'000 (unaudited)	Business development investment HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Disaggregated by timing of revenue recognition</b>					
Point in time	233,930	94,260	4,741	–	332,931
Over time	10,012	48,987	81,258	–	140,257
Revenue from external customers	243,942	143,247	85,999	–	473,188
Inter-segment revenue	2,822	16	47	–	2,885
Reportable segments revenue	246,764	143,263	86,046	–	476,073
Reportable segments profit	119,083	33,185	36,107	–	188,375
Share of results of joint ventures and associates	–	–	–	9,016	9,016

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 4 REVENUE AND SEGMENTS REPORTING (CONTINUED)

#### (b) Segments reporting (continued)

##### (ii) RECONCILIATION OF REPORTABLE SEGMENT PROFIT

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Reportable segment profit	189,650	188,375
Share of results of joint ventures and associates	2,429	9,016
Other income	8,060	13,995
Selling, general and administrative expenses	(106,122)	(110,231)
Impairment loss on trade, bills and other receivables and contract assets	(864)	(3,214)
Research and development expenses	(83,119)	(88,865)
Finance costs	(4,599)	(5,293)
Fair value change on other financial assets	(1,808)	(336)
Profit before taxation	3,627	3,447

#### (c) Seasonality of operations

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

For the twelve months ended 30 June 2024, the above segments reported revenue of HK\$1,632,975,000 (twelve months ended 30 June 2023: HK\$1,538,279,000), and gross profit of HK\$592,282,000 (twelve months ended 30 June 2023: HK\$587,814,000).

### 5 PROFIT BEFORE TAXATION

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

#### (a) Finance costs:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest on bank borrowings	1,429	1,810
Interest on other borrowings	2,297	2,594
Interest on lease liabilities	873	889
	4,599	5,293

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 5 PROFIT BEFORE TAXATION (CONTINUED)

#### (b) Other items:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Depreciation charge		
– owned property, plant and equipment	14,722	17,673
– right-of-use assets	9,244	8,053
Amortisation of intangible assets	9,125	12,930
Cost of inventories (Note)	135,504	158,944
Staff costs	114,281	132,035
Interest income	(2,658)	(2,185)
Government grants	(6,420)	(11,162)
Net foreign exchange loss/(gain)	996	(795)
Net loss on disposal of property, plant and equipment (Note 8)	4	22

Note:

Cost of inventories includes HK\$39,406,000 (30 June 2023: HK\$39,764,000) relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

### 6 INCOME TAX

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Current taxation – The People’s Republic of China (the “PRC”) Enterprise Income Tax (“EIT”):</b>		
– Provision for the period (Note (i))	6,085	6,402
– Withholding tax on dividend income (Note (ii))	37	515
	6,122	6,917
<b>Current taxation – Hong Kong Profits Tax:</b>		
– Provision for the period (Note (iii))	807	489
<b>Deferred taxation:</b>		
– Origination and reversal of temporary differences	(6,947)	(6,591)
	(18)	815

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 6 INCOME TAX (CONTINUED)

Notes:

- (i) The subsidiaries of the Group established in the PRC are subject to the PRC EIT rate of 25% for the six months ended 30 June 2024 (six months ended 30 June 2023: 25%), except for those enjoy a preferential tax rate according to related tax policies to High-tech Enterprise, Western Region Development Enterprise, Software Enterprise and Small Low-profit Enterprise.
- (ii) Under the Law of the PRC EIT, 10% (six months ended 30 June 2023: 10%) withholding tax is levied on dividend from enterprises established in the PRC to foreign enterprises.
- (iii) The Company and those subsidiaries incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the six months ended 30 June 2024 (six months ended 30 June 2023: 16.5%), except for one subsidiary which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.
- (iv) The subsidiary incorporated in the India is subject to India Profits Tax of 25% for the six months ended 30 June 2024 (six months ended 30 June 2023: 25%).
- (v) The subsidiaries of the Group incorporated in jurisdictions other than the PRC, Hong Kong and India are not subject to any income tax, pursuant to the rules and regulations of their respective jurisdictions of incorporation.

## 7 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2024 is based on the profit attributable to ordinary equity shareholders of the Company of HK\$9,636,000 (six months ended 30 June 2023: HK\$5,081,000) and the weighted average of 2,097,146,727 ordinary shares (six months ended 30 June 2023: 2,097,146,727 ordinary shares) in issue during the interim period.

The Group has no dilutive ordinary shares outstanding for the six months ended 30 June 2024 and 2023. Therefore, there was no difference between basic and diluted earnings per share.

## 8 PROPERTY, PLANT AND EQUIPMENT

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

During the six months ended 30 June 2024, the Group received rent concessions from landlords for existing leased office which was accounted for as a lease modification and resulted in a decrease in right-of-use assets by HK\$717,000 (six months ended 30 June 2023: HK\$3,985,000). Besides, the Group entered into a number of lease agreements for use of buildings and therefore recognised the additions to right-of-use assets of HK\$14,208,000 (six months ended 30 June 2023: HK\$856,000).

### (b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of HK\$11,998,000 (six months ended 30 June 2023: HK\$7,442,000).

Items of property, plant and equipment with a carrying amount of HK\$5,000 were disposed of during the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$24,000), resulting in a net loss of disposal HK\$4,000 (six months ended 30 June 2023: HK\$22,000).

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 9 GOODWILL

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

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Operations in the provision of intelligent passenger information services	490,328	493,846
Operations in the provision of data and integration services	51,742	52,113
Operations related to the intelligent infrastructure business	9,824	9,894
	<b>551,894</b>	555,853

During the six months ended 30 June 2024, these operations continued to be profit-making, hence no impairment indicator for goodwill has been identified.

### 10 CONTRACT ASSETS AND CONTRACT LIABILITIES

#### (a) Contract assets

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
<b>Contract assets</b>		
Arising from performance under contracts with customers	813,151	763,482
Less: loss allowance	(48,614)	(49,220)
	<b>764,537</b>	714,262

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 10 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

#### (b) Contract liabilities

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
<b>Contract liabilities</b>		
Service contracts		
– billings in advance of performance	<b>95,919</b>	45,800

### 11 TRADE AND OTHER RECEIVABLES

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Trade receivables	<b>742,760</b>	843,551
Bills receivable	<b>218,284</b>	263,771
	<b>961,044</b>	1,107,322
Less: loss allowance	<b>(38,836)</b>	(37,573)
Trade and bills receivables, net of loss allowance	<b>922,208</b>	1,069,749
Prepayments, deposits and other receivables	<b>94,205</b>	72,780
Less: loss allowance	<b>(8,396)</b>	(8,821)
	<b>85,809</b>	63,959
Value-added tax recoverable	<b>26,111</b>	12,335
	<b>1,034,128</b>	1,146,043

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



## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 11 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Within 1 year	<b>750,267</b>	869,741
Over 1 year	<b>171,941</b>	200,008
	<b>922,208</b>	1,069,749

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

As at 30 June 2024, trade receivables amounted to HK\$10,037,000 (31 December 2023: Nil) have been pledged as security for the Group's borrowings.

### 12 CASH AND CASH EQUIVALENTS

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Cash on hand and in bank	<b>546,973</b>	568,331
Restricted bank deposits	<b>128,020</b>	128,799
Cash and cash equivalents in the condensed consolidated statement of financial position	<b>674,993</b>	697,130
Less: restricted bank deposits	<b>(128,020)</b>	(128,799)
Cash and cash equivalents in the condensed consolidated cash flow statement	<b>546,973</b>	568,331

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

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 13 TRADE AND OTHER PAYABLES

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Trade payables	<b>869,348</b>	845,980
Bills payable	<b>99,130</b>	70,532
Trade and bills payables	<b>968,478</b>	916,512
Accrued expenses and other payables	<b>86,597</b>	106,954
Consideration payable for acquisition of non-controlling interests	–	607
Consideration payable for acquisition of a subsidiary	<b>82,581</b>	82,498
Dividend payable to equity shareholders of the Company	<b>52,429</b>	–
Other taxes payables	<b>18,380</b>	32,903
	<b>1,208,465</b>	1,139,474

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

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

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Due within 1 month or on demand	<b>890,101</b>	867,007
Due after 1 month but within 6 months	<b>78,377</b>	49,505
	<b>968,478</b>	916,512

### 14 BANK BORROWINGS

As at 30 June 2024, all of the bank borrowings are unguaranteed and unsecured, bear fixed interest rate ranging from 2.80% to 3.90% (31 December 2023: from 3.20% to 3.80%) per annum and are repayable within one year.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 15 OTHER BORROWINGS

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Factoring loan (Note (i))	5,752	–
Other borrowing (Note (ii))	255,000	255,000
	<b>260,752</b>	255,000

Notes:

- (i) The factoring loan is unguaranteed and secured by the trade receivables amounting to HK\$10,037,000 (31 December 2023: Nil) (Note 11), bears fixed interest rate at 5.50% (31 December 2023: Nil) per annum and is repayable within one year.
- (ii) Other borrowing is pledged by the Company's 51% (31 December 2023: 51%) of equity interests in a subsidiary, bears fixed interest rate at 1.72% (31 December 2023: 1.72%) per annum and is repayable within one year.

### 16 DIVIDENDS

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

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Final dividend in respect of the previous financial year, approved during the current interim period, of HK\$2.5 cents (six months ended 30 June 2023: HK\$2.6 cents) per ordinary share	52,429	54,526

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

#### (i) FAIR VALUE HIERARCHY

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

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

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

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

##### (i) FAIR VALUE HIERARCHY (CONTINUED)

	Fair value at 30 June 2024 HK\$'000 (unaudited)	Fair value measurement as at 30 June 2024 categorised into Level 3 HK\$'000 (unaudited)
<b>Recurring fair value measurement</b>		
Financial assets:		
Other financial assets measured at fair value through profit or loss ("FVPL")	<b>74,407</b>	<b>74,407</b>
Other financial assets designated at fair value through other comprehensive income ("FVOCI")	<b>119,420</b>	<b>119,420</b>
Financial liabilities:		
Contingent considerations	<b>1,984</b>	<b>1,984</b>
<b>Recurring fair value measurement</b>		
Financial assets:		
Other financial assets measured at FVPL	76,935	76,935
Other financial assets designated at FVOCI	125,800	125,800
Financial liabilities:		
Contingent considerations	1,998	1,998

During the six months ended 30 June 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

##### *Other financial assets measured at FVPL*

The valuation model of the fair value of unlisted equity investment in Beijing Cornerstone Huiying Venture Capital Investment Centre (Limited Liability Partnership) is based on adjusted recent transaction price of the underlying investments or the market multiples (i.e. price to earnings multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 32.5% (31 December 2023: 29.7%) of the underlying investments.

The Group determines the fair value of unlisted equity investment in Youdao Technology Co., Ltd. based on market multiples (i.e. price to earnings multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 29.4% (31 December 2023: 26.1%).

As at 30 June 2024, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have increased/decreased the Group's profit by HK\$631,000 (31 December 2023: HK\$473,000).

##### *Other financial assets designated at FVOCI*

The valuation model of the fair value of unlisted equity investment in Beijing Ruubypay Science and Technology Co., Ltd. is based on market multiples (i.e. enterprise value to earnings before interest, tax, depreciation, and amortisation multiple/price to sales multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 29.4% (31 December 2023: 26.1%).

As at 30 June 2024, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have increased/decreased the Group's other comprehensive income by HK\$1,717,000 (31 December 2023: HK\$2,207,000).

##### *Contingent considerations*

The fair value of contingent considerations is determined using valuation model considering the present value of expected payable, discounted using a risk-free discount rate.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
<b>Other financial assets measured at FVPL:</b>		
Balance at 1 January (audited)	<b>76,935</b>	70,475
Changes in fair value recognised in profit or loss	<b>(1,808)</b>	(336)
Exchange adjustments	<b>(720)</b>	(2,180)
Balance at 30 June (unaudited)	<b>74,407</b>	67,959
<b>Other financial assets designated at FVOCI:</b>		
Balance at 1 January (audited)	<b>125,800</b>	52,261
Net unrealised gains or losses recognised in other comprehensive income during the period	<b>(5,508)</b>	(4,884)
Exchange adjustments	<b>(872)</b>	(1,450)
Balance at 30 June (unaudited)	<b>119,420</b>	45,927
<b>Contingent considerations payable:</b>		
Balance at 1 January (audited)	<b>1,998</b>	2,027
Exchange adjustments	<b>(14)</b>	(63)
Balance at 30 June (unaudited)	<b>1,984</b>	1,964

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 30 June 2024 and 31 December 2023.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 18 MATERIAL RELATED PARTY TRANSACTIONS

#### (a) Key management personnel remuneration

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

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Short-term employee benefits	1,907	1,929
Retirement scheme contributions	291	364
	<b>2,198</b>	<b>2,293</b>

#### (b) Related party transactions

##### TRANSACTIONS WITH ULTIMATE HOLDING COMPANY AND ITS AFFILIATES

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest expense	2,297	2,594
Revenue from intelligent passenger information services	2,548	11,232
Revenue from data and integration services	125,249	72,488
Revenue from intelligent infrastructure	9,508	5,465
Purchases of goods and services	22,076	13,323
Expense relating to short-term lease	14	254

##### TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATES

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Purchases of goods and services	73,905	55,804
Revenue from intelligent passenger information services	–	1,760
Revenue from data and integration services	1,051	–
Dividends received	3,446	2,700



## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 18 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (c) Related party balances

##### BALANCES WITH ULTIMATE HOLDING COMPANY AND ITS AFFILIATES

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Trade receivables	<b>104,277</b>	88,854
Prepayments, deposits and other receivables	<b>5,141</b>	5,726
Contract liabilities	<b>39,499</b>	30,978
Trade payables	<b>61,609</b>	47,073
Accrued expenses and other payables	<b>1,733</b>	2,837
Other borrowings	<b>260,752</b>	255,000

##### BALANCES WITH JOINT VENTURES AND ASSOCIATES

	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
Trade receivables	<b>4,892</b>	4,746
Prepayments, deposits and other receivables	<b>4,653</b>	–
Contract liabilities	<b>3</b>	–
Trade payables	<b>55,839</b>	49,490

Except for other borrowings which are secured, interest bearing and repayable according to contract terms (Note 15), all the above balances are unsecured, interest-free and recoverable/repayable on demand or within one year according to contract terms.

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 18 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

The ultimate holding company of the Company, Beijing Infrastructure Investment Co., Ltd. ("BII"), is a state-controlled enterprise controlled by the PRC government. Apart from transactions with BII and its affiliates which were disclosed in Notes 18(b) and 18(c) above, the Group also has transactions with other state-controlled entities, included but not limited to the following:

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

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

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

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 19 CONTINGENCY

In 2018, the Group acquired 95% equity interests of Suzhou Huaqi Intelligent Technology Co., Ltd. (“Huaqi Intelligent”) with certain considerations deferred and adjustable to the performance of Huaqi Intelligent during the calendar years of 2019, 2020 and 2021 (the “Deferred Considerations”). As at 30 June 2024, the unpaid Deferred Considerations of the Group, of which amount was confirmed by the former shareholder of Huaqi Intelligent (the “Former Shareholder”) in writing, was RMB75 million (equivalent to approximately HK\$82 million (31 December 2023: HK\$82 million), and recognised as “trade and other payables” of the Group. The Former Shareholder pledged its contractual rights to the Deferred Considerations to a bank for certain bank borrowings. As a result of default of the Former Shareholder, the bank has taken legal action against the Former Shareholder and sued the Company as one of the defendants. On 10 February 2022, the Company received an execution notice from Beijing Financial Court to freeze its deposits in the relevant bank for the period from 10 February 2022 to 9 February 2025. As at 30 June 2024, the frozen deposits amounted to HK\$103 million (31 December 2023: HK\$102 million) which were included in restricted bank balance in the condensed consolidated statement of financial position (see Note 12).

After consultation with legal advisor of the Company, the directors of the Company are of the opinion that the Group is only liable for the unpaid Deferred Considerations, which has already been recorded as liability of the Group, to the Former Shareholder as well as the bank. No further provision is needed for the legal suit as mentioned above. The directors are of the opinion that the freeze of bank deposits of the Company has no significant impact on either the Company’s or the Group’s liquidity.

Subsequent to the end of the reporting period, on 26 July 2024, the Beijing Financial Court, discharged the freezing order on the above-mentioned bank deposits.