



中国中车股份有限公司
CRRC CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
Stock Code: 1766

2024
ANNUAL REPORT







Important

1. The Board of Directors and the Board of Supervisors of the Company and its Directors, Supervisors and Senior Management warrant that there are no false representations, misleading statements contained in or material omissions from this annual report and they will assume joint and several legal liabilities for the truthfulness, accuracy and completeness of the contents disclosed herein.
2. This report has been considered and approved at the 32nd meeting of the third session of the Board of Directors of the Company. All Directors attended the Board meeting.
3. KPMG Huazhen LLP has issued standard unqualified audit report for the Company's financial statements prepared under the China Accounting Standards for Business Enterprises in accordance with PRC Auditing Standards.
4. Sun Yongcai, the Chairman of the Company, Li Zheng, the Chief Financial Officer and Shi Jianfeng, the head of the Accounting Department (person in charge of accounting affairs) warrant the truthfulness, accuracy and completeness of the financial report in this annual report.
5. Proposal on profit distribution or transfer of capital reserve fund during the reporting period considered and approved by the Board

The Company proposes to distribute cash dividends to all shareholders based on the total share capital registered on the registration date for dividend distribution (the specific date will be clarified in the announcement on the implementation of dividend distribution). As of 31 December 2024, the total share capital of the Company was 28,698,864,088 shares, based on which and calculating at cash dividend of RMB0.21 (tax inclusive) per share, the Company proposes to distribute cash dividend of RMB6.027 billion (tax inclusive) in aggregate. In the case where from the date of disclosure of announcement on profit distribution plan to the registration date for dividend distribution, there are changes in the total share capital of the Company due to the conversion of convertible bonds, repurchase of shares, cancellation of repurchased shares granted under equity incentive schemes, cancellation of repurchased shares due to material asset restructuring, etc., the Company proposes to remain the total distribution amount unchanged, and to adjust the distribution proportion per share accordingly. If the total share capital of the Company changes subsequently, specific adjustments will be announced separately. The profit distribution plan is subject to the consideration and approval at the 2024 annual general meeting of the Company.

6. Statement for the risks involved in the forward-looking statements: this report contains forward-looking statements that involve future plans and development strategies which do not constitute a substantive commitment by the Company to investors. Investors should be aware of the investment risks.
7. Unless specified otherwise, the recording currency used in this report is Renminbi.
8. Major risk reminder: the major risk factors faced by the Company include strategic risks, market risks, product quality risks, exchange rate risks, overseas operating risks and industrial structure adjustment risks, which have been described in detail in this report. Please refer to the potential risks in "Discussion and analysis on the Company's future development" of "Report of Directors – B. Management Discussion and Analysis".



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Results Highlights

Revenue
RMB'000



2024:
246,456,804

2023:
234,261,514

+5.21%

Net profit
RMB'000



2024:
15,663,893

2023:
14,569,647

+7.51%

Net profit attributable to
shareholders of the Company
RMB'000



2024:
12,387,514

2023:
11,711,576

+5.77%

Basic earnings per share
RMB/share



2024:
0.43

As at 31 December 2023:
0.41

+4.88%

Total assets
RMB'000



As at 31 December 2024:
512,823,630

As at 31 December 2023:
471,791,735

+8.70%

Total liabilities
RMB'000



As at 31 December 2024:
302,629,036

As at 31 December 2023:
275,268,420

+9.94%

Total equity
RMB'000



As at 31 December 2024:
210,194,594

As at 31 December 2023:
196,523,315

+6.96%

Including: equity attributable
to shareholders of the Company
RMB'000



As at 31 December 2024:
168,773,774

As at 31 December 2023:
160,973,373

+4.85%

Shareholders' equity per share
RMB/share



As at 31 December 2024:
5.88

As at 31 December 2023:
5.61

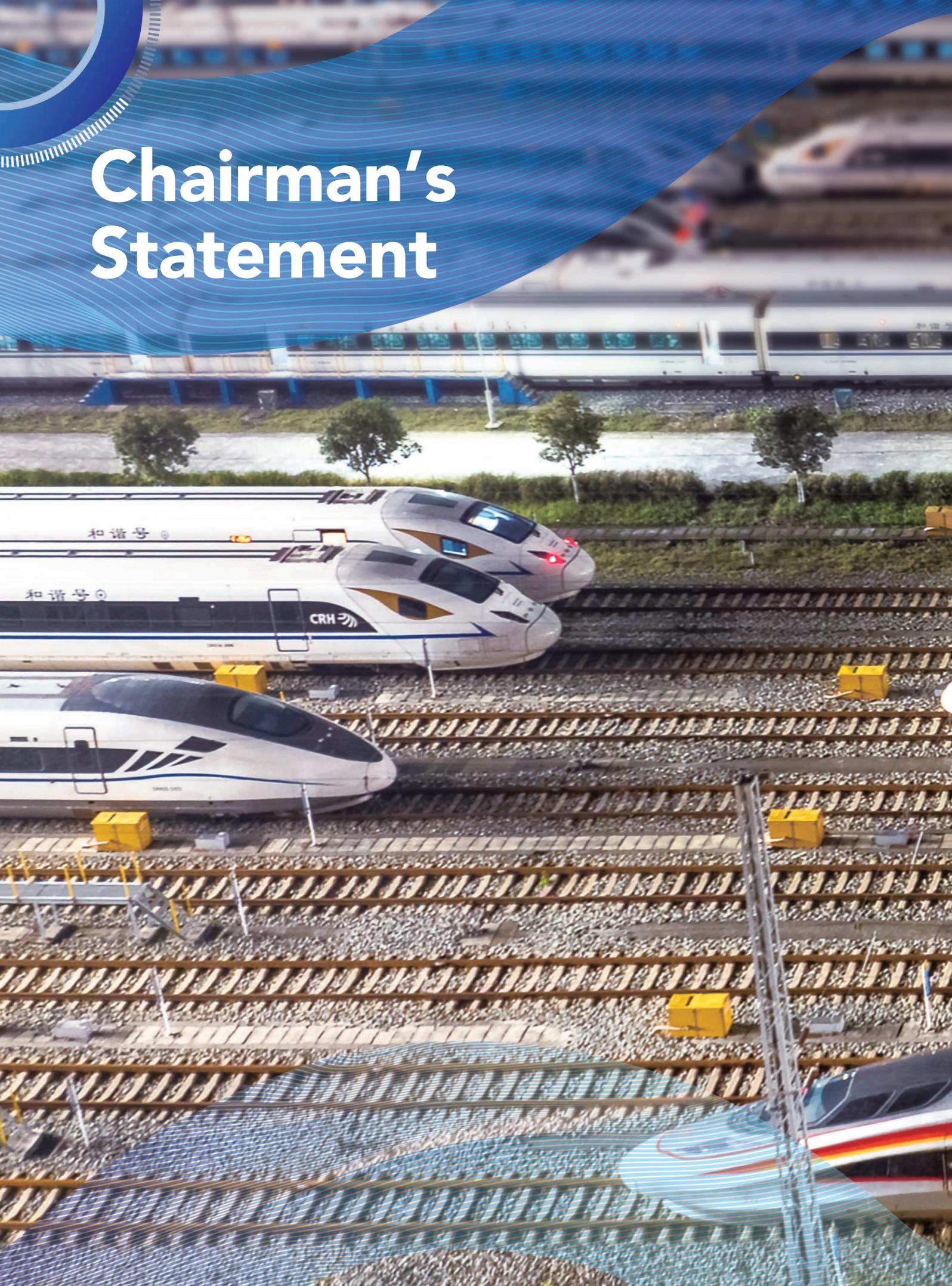
+4.81%

Financial Summary

Item	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Revenue	246,456,804	234,261,514	222,938,637	225,731,755	227,656,041
Operating cost	193,763,279	186,136,608	175,625,777	179,303,892	176,954,601
Tax and levies	1,882,506	1,708,504	1,634,686	1,685,931	1,756,246
Selling expenses	5,528,620	5,149,546	7,724,210	7,264,149	8,683,345
Administrative expenses	15,580,957	13,958,538	13,401,635	13,481,469	13,773,241
Research and development expenses	15,936,698	14,363,696	13,129,748	13,085,219	13,349,896
Financial expenses	-11,765	-212,298	-343,488	380,159	829,091
Add: Other income	3,465,517	2,651,162	1,792,846	1,658,697	2,253,502
Investment income	865,928	1,285,876	306,929	242,491	739,658
Gains from changes in fair value	366,824	392,037	489,773	309,908	77,121
Credit impairment losses	-990,271	-1,261,625	-312,158	-41,615	-390,040
Assets impairment losses	-755,919	-607,066	-614,278	-885,548	-864,794
Gains on disposal assets	206,354	408,456	2,550,521	1,016,195	1,193,045
Operating profit	16,934,942	16,025,760	15,979,702	12,831,064	15,318,113
Non-operating income	695,155	542,671	779,950	1,468,980	1,304,009
Non-operating expense	197,944	195,430	639,984	545,221	631,032
Profit before tax	17,432,153	16,373,001	16,119,668	13,754,823	15,991,090
Less: Income tax expenses	1,768,260	1,803,354	1,767,493	1,337,277	2,168,030
Net profit	15,663,893	14,569,647	14,352,175	12,417,546	13,823,060
Earning per share					
Basic (RMB/share)	0.43	0.41	0.41	0.36	0.39
Diluted (RMB/share)	0.43	0.41	0.41	0.36	0.38
Assets and liabilities					
Total assets	512,823,630	471,791,735	442,140,146	426,826,499	392,380,368
Total liabilities	302,629,036	275,268,420	251,154,230	244,534,993	223,238,804
Total equity attributable to shareholders of the Company	168,773,774	160,973,373	155,041,322	148,574,346	143,021,347
Total non-controlling interests	41,420,820	35,549,942	35,944,594	33,717,160	26,120,217
Total equity at the end of the period (shares)	28,698,864,088	28,698,864,088	28,698,864,088	28,698,864,088	28,698,864,088
Net cash flows from operating activities	27,127,503	14,721,616	23,953,216	20,592,700	-2,032,393

Note: During the current period, the Company has changed its accounting policies due to the relevant new requirements and guidelines of the accounting standards, and adopted the retrospective adjustment method to adjust the operating costs and selling expenses in details period. For the relevant content, please see "V. Important Accounting Policies and Accounting Estimates" of "30. Changes in Important Accounting Policies and Accounting Estimates" in the "Financial Report".

Chairman's Statement





Chairman's Statement



Chairman
Sun Yongcai

Dear investors,

On behalf of the Board of the Company, I hereby present the Annual Report 2024 of CRRC.

The year 2024 was an extremely important year in the reform and development history of CRRC. We adhered to the guidance by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, intensively studied and implemented the spirit of the 20th CPC National Congress as well as the Second and the Third Plenary Sessions of the 20th CPC Central Committee, earnestly implemented the decisions and approaches of the CPC Central Committee and the State Council, and took solid steps to promote high-quality development.

For the past year, "CRRC on the list" has been impressive. We adhered to the general principle of seeking progress while maintaining stability, built consensus and promoted the "seven breakthroughs" through the "seven establishments"¹. We achieved growth in both revenue and profit, with all-time high operating results. Since its establishment, the new CRRC has been awarded the A rating in the annual assessment on information disclosure of listed companies on the SSE for nine consecutive years. In the capital market, we won the Highest Investment Value Award, Golden Information Disclosure Award and other awards. Our brand value reached RMB160.1 billion, consecutively ranking the in the machinery and equipment manufacturing sector in China.

For the past year, "CRRC in the impression" has been eye-catching. We courageously acted as the strategic technological power of China, accelerated the cultivation of new quality productive forces, and were committed to make further contribution to self-reliance in science and technology. The prototype of the CR450 MUs was released to the world as serialized new energy locomotives made remarkable appearances. The first hydrogen-powered urban train was successful in the trial run, while the 20MW floating offshore wind turbine "Qihang" (啟航號) was rolled out. The Fuxing (復興號) high-speed train project received the Grand Prize for the State Scientific and Technological Progress Award (國家科學技術進步獎特等獎).

For the past year, "CRRC through the camera" has been captivating. We were frequently invited to major events with our successful experience, typical cases and outstanding results showcased, which were widely praised. The MUs for the Budapest-Belgrade high-speed railway were unveiled in Serbia. High-end, digitalized and green serialized products stood out at InnoTrans and WindEnergy Hamburg. The "Aizor" industry-wide model led the acceleration of the high-end equipment manufacturing industry into the digitalized era. Diplomats and representatives from nearly 80 countries and international organizations were invited to experience the "Speed of China".

For the past year, "CRRC advancing forward" has been dazzling. We strengthened strategic management and control, and enhanced management on the principal businesses, thereby promoting the upgrade of the rail transit industry as a whole, expanding emerging strategic industries, and cultivating future industries. The quality of the rail transit equipment industry was upgraded, with the wind energy, photovoltaic energy, energy storage and hydrogen energy businesses rapidly developed, as the pattern of industrial development of "Two Tracks and Two Clusters" was being built at a faster pace. Being adhered to concentric diversification, we were dedicated to building the "second curve" that transcends economic cycles. We actively promoted the transformation of the development methods, market models as well as systems and mechanisms, vigorously developed the digital and intelligence industry and carbon industry, empowering the modernized industrial system that is digitalized, high-end, green, international, coordinated and branded with new features.

The above-mentioned achievements are inseparable from the strong support of all shareholders. On behalf of the Board, I would like to express the most sincere gratitude to all investors.

The year 2025 is the final year of the "14th Five-Year Plan". CRRC will adhere to high-quality development as the main task, further highlight the three themes of value creation, innovation leadership and reform empowerment, focus on new quality productive forces, accomplish the goals and tasks of the "14th Five-Year Plan", unswervingly accelerate the establishment of a world-class CRRC, and build a solid foundation for a good start to the "15th Five-Year Plan". We will contribute to the society, reward our shareholders and benefit our employees with better development and better performance.

Sun Yongcai
March 2025

¹ "Seven establishments": establishment of a new pattern, establishment of a new model, establishment of new advantages, establishment of a new mechanism, establishment of new benchmarks, establishment of new services, and establishment of new values. "Seven new breakthroughs": realizing new breakthroughs in business layout, market expansion, scientific and technological innovation, reform and innovation, management improvement, integration of industry and finance, and the construction of the Party building "golden card".

Report of Directors





Report of Directors



A. BUSINESS OVERVIEW

I. Industry situation of the Company during the reporting period

Internationally, the continuous promotion of the “dual carbon” strategy worldwide as well as the acceleration of the green energy transformation have brought about new changes in the development of the industry, new adjustments in the industrial landscape, stable growth in market demand and new features in market competition. Domestically, the rail transit equipment market and foreign investment thresholds have been further reduced. Various investment entities and operating entities of rail transit have become increasingly diversified, and business awareness has continued to increase. Some regions and some enterprises have continued to accelerate the deployment of the entire rail transit industry chain and formed the ability to provide system solutions. The new business situation of the rail transit industry has gradually become more competitive. During the reporting period, the domestic railway passenger and freight transportation have both achieved the best performance in history. With the gradual implementation of the domestic demand expansion strategy and the promotion of State Railway Group’s “high-quality development of railways, taking the lead in the realization



of railway modernization”, the demand for the safety, comfort, environmental-friendliness and intelligence of the main line railways equipment has become more intense. Demand for urban rail transit vehicles has been diversified, and users have higher requirements for the applicability, safety, reliability and comfort of rail transit equipment products. At the same time, the implementation of the “Dual Carbon” strategy has also opened up a broad space for the development of green transportation such as rail transit and new energy vehicles, as well as green energy industries such as wind power, photovoltaic power, and hydrogen energy. As the world’s leading and diverse rolling stock and important clean energy equipment supplier with advanced technologies, CRRC should be market-oriented and customer-centric to optimize business structure, establish and improve the service system with full life cycle, accelerate the transformation of “manufacturing + service” and system solution provider, provide customers with more valuable products and services, and make contributions to build China into a country with strong production and transportation network leveraging “CRRC Wisdom” and “CRRC Power”.

II. Business of the Company during the reporting period

The main scope of business of CRRC includes: research and development, design, manufacturing, refurbishment, sales, leasing and technical services of railway locomotives, MUs, urban rail transit vehicles, engineering machinery, various electromechanical equipment, electronic equipment and components, as well as electronic devices and environmental protection equipment; information consultation; industry investment and management; asset management; import and export business.

(I) Main business

1. Railway equipment business

The railway equipment business mainly includes: (1) locomotive business; (2) MUs (including inter-city MUs) and passenger carriage business; (3) freight wagon business; (4) track engineering machinery business.

Facing the global market, the Company stayed abreast of changes in the domestic and international railway transport market and trends in the development of technology with an aim to become a world-leading provider of system solutions for rail transportation equipment. The Company accelerated innovations in its technology, products, services and business models, and created a systematic, modular and standardized product platform and technology platform, with a view to continuously meeting the requirements for developing an advanced and widely applicable railway system and for intelligent, environment-friendly and safe development. The position of the Company in the industry has been further consolidated, and the railway equipment business has developed steadily. The Company will continue to further its strategic cooperation with State Railway Group and other key customers, and actively participate in the reform in the mileage, life cycle and other rules for rail transportation equipment overhaul advocated by State Railway Group. Besides, it will give full play to the advantage in the integration of manufacturing, maintenance and service, deepen the aftermarket overhaul services, and accelerate and improve the service capacity of railway equipment products with full life cycle.

2. Urban rail transit vehicles and urban infrastructure business

The urban rail transit vehicles and urban infrastructure business mainly includes: (1) urban rail transit vehicles; (2) planning and design of urban transportation; (3) general contracting of urban transportation.

Facing the global market, the Company seized new opportunities for the development of metropolitan areas and urban agglomerations, expedited innovations in urban rail transportation equipment technology and products to increase its core competitiveness. The Company created a systematic, modular, standardized and green product platform and technology platform, constantly consolidated and expanded domestic and international markets with high-quality products and services. The Company gave full play to its professional advantage, overall advantages, technological advantage, human resources advantage, capital advantage, supply chain control and management advantage and cost advantage, developed the forward and backward market expansion of our urban transportation business and continued to expand into the service area, general contracting of electromechanical area, and operation and maintenance area. The Company promoted the high-quality development of "Product+" and "System+" businesses supported by digitization, intelligence and greenization, created a cost-effective urban rail transit system with low to medium capacity, and enhanced the ability to provide full-cycle system solutions.

3. New industry business

The new industry business mainly includes: (1) mechanical and electrical business; (2) emerging industry business.

In the mechanical and electrical business, the Company strived to improve technology platform and the construction of industrial chain and promote upgrade in core business technologies of rail transportation equipment with the focus on mastering core technologies, breaking through key technologies and increasing core competitiveness, and expedited the specialized and scale development of key systems and important spare parts in the industrial, transportation and energy fields. As to the emerging industry, the Company adhered to the principles of "relevance and multi-dimensions, high-end positioning and industry-leading position", and strengthened resource allocation, gave full play to core technological advantages, and established an industrial cluster of clean energy equipment. The Company has developed emerging businesses, with businesses such as wind power equipment and new materials as its important growth poles, and businesses including photovoltaic power, energy storage, hydrogen energy, environmental protection, industrial digital, electric drive systems of vehicles and parts, ship electric drives and marine engineering equipment as its important growth drivers. The new industries, which are experiencing steady development, have become an important part of the Company's business. For the digital intelligence industry, the Company has established a digital intelligence division and CRRC Digital Intelligence Technology Co., Ltd., formulated a development plan for the digital intelligence industry, and prioritized the cultivation of future important growth drivers such as smart manufacturing, industrial software, industrial artificial intelligence, internet production service platforms, information infrastructure services, and digital transformation consultancy and services.

4. Modern service business

The modern service business mainly includes: (1) financial business; (2) logistics and trading business; (3) other business.

By adhering to “integration of industry and financing, promoting industry with financing”, the Company focused on its principal responsibilities and major businesses, continuously proceeded the optimization and integration of its financial business, strengthened risk control, standardized the construction of financial service platform and investment and financing platform, and accelerated the integrated development of the manufacturing industry and the service industry. The Company made continuous efforts in the industry and financing platform, utilizing industrial funds and domestic and overseas capital management platforms in a comprehensive manner to provide systematic financial solutions for industrial expansion and structural optimization, and to keep enhancing the role of its major businesses in the development as the physical business. The Company developed its modern logistics business by promoting the extensive application of industrial intelligent logistics to enterprises in CRRC’s industrial chain and establishing a benchmark for logistics in the discrete manufacturing industry. The Company continuously promoted the optimization and development of the “CRRC Procurement (中車購)” 2.0 platform and the e-commerce platform business of CRRC. The brand awareness of the green circular economy of the trading platform “Enterprises-friendly Purchase (宜企拍)” has been significantly heightened.

5. International business

The Company has accelerated the capacity building of platform companies, and gave full play to the roles and initiatives of platform companies, subsidiaries and overseas companies. The Company has insisted on being market-oriented and business-oriented, growth stabilization, efficiency enhancement, reform promotion, structure optimization, power activation and momentum gain, and proactively expanded rail transit and new international industry markets. We have also carried out greenfield investments and joint-venture operation in accordance with the concept of “light assets, emphasis on efficiency and sustainable development”, and accomplished the “five transformations”. Firstly, transformation from the concept of marketing to the concept of creating values for users; secondly, transformation from marketing of products by single subsidiaries to marketing of system solutions by subsidiaries organized by the headquarters; thirdly, transformation from marketing products in and after processes to marketing solutions before processes; fourthly, transformation from marketing components to marketing subsystems and modules; and fifthly, transformation from sole marketing of products to marketing of “Product+”. We implemented the “five-locals model” of “local manufacturing, local procurement, local workforce, local maintenance and local marketing”, strengthened brand building and promotion, unleashed the power of the overseas R&D centers, and continuously improved its industry influence and discourse power.

(II) Major products

Product structure	Main product functions
MUs	Mainly include various electric multiple units and diesel multiple units at the speed of 200 km/hour and below, 200-250 km/hour, 300-350 km/hour and above, which are mainly used to provide main line railway and inter-city railway passenger transport services. On the basis of "import, digestion, absorption and re-innovation", the MU products represented by "Fuxing" EMUs have independent intellectual property rights.
Locomotives	Mainly include various DC driving, AC driving electric locomotives, diesel locomotives and new energy locomotives with the largest traction power of 28,800 KW and the highest speed of 200 km/hour, which are mainly used to provide passenger and goods transport services in main line railway. The Company's locomotive products have independent intellectual property rights.
Passenger carriages	Mainly include seater car, sleeping car, dining car, luggage van, generator car, special vehicles, plateau cars and double-deck railway passenger carriages at the speed of 120-160 km/hour, which are mainly used to provide passenger transport services in main line railway. The Company's passenger carriages have independent intellectual property rights.
Freight wagons	Mainly include various railway gondola trucks, box wagon, flatcar, tank truck, hopper car and other special goods transport trucks, which are mainly used to transport goods for main line railway and industrial and mining enterprises. The Company's freight wagons have independent intellectual property rights.
Urban rail transit vehicles	Mainly include subway vehicles, light-rail vehicles, urban (commuting) vehicles, monorail vehicles, maglev train, tramcar, electronically guided rubber-tyred vehicles, automated guideway rubber-tyred vehicles, etc., which are mainly used to provide commuter and passenger transport services between cities and suburbs. The Company's urban rail transit vehicles have independent intellectual property rights.

Product structure	Main product functions
Electrical and mechanical equipment	Mainly include traction electric driving and network control system, diesel engine, braking system, cooling and heat transfer system, train operation and control system, passenger information system, power supply system, gear assembly, etc., which are mainly used to complement with MUs, locomotives, urban rail transit vehicles, tracking engineering machinery products in main line railway and inter-city railway, and part of them are provided to third party customers as spare parts. All of the aforesaid products of the Company have independent intellectual property rights.
Emerging industries	Mainly include wind power equipment and parts (wind turbines, blades, gearboxes, towers, converters, wind power elastic supports, wind power super capacitors, etc.), new materials (vibration and noise reduction materials, light quantitative materials, aramid, etc.), and multi-industry complete machines, components, and parts products such as electric drive systems of new energy vehicles, photovoltaic power, energy storage, hydrogen energy, environmental protection, industrial digital, heavy machinery, and marine engineering. All of the aforesaid products of the Company have independent intellectual property rights.

(III) Operation model

Main operation model: the Company independently completes the manufacturing, repair, research and development, and production and delivery of rolling stock equipment relying on its own technology, craftsmanship, clean energy equipment production capability and production qualification.

1. Production model: As the value of the product of rolling stock and clean energy equipment manufacturing industry per unit is comparatively high, its production model is to "limit production to sales", meaning that the arrangement of production is based on purchase order contracts obtained from customers. Not only does this model avoid excess inventory of finished products, but it also satisfies the needs of customers by arranging for production according to the particular order.
2. Purchasing model: A combination of centralized procurement and decentralized procurement is commonly used. For centralized procurement, it mainly adopts the "unified management, two-level concentration" management model in which purchase applications for bulk materials and key components are collected from all subsidiaries of the Company to form a centralized procurement plan for conduction of centralized supplier management assessment, purchase price management, procurement bidding management as well as centralized ordering and centralized settlement by the Company. For other materials, etc., the subsidiaries shall formulate procurement plans according to production requirements and select appropriate suppliers and sign supply contracts through centralized organization of bidding and other methods to achieve centralized procurement. Whether it will be done by the

Company or its subsidiaries, a centralized procurement shall be completed on the "CRRC Procurement" e-commerce procurement platform to realize open, transparent and traceable management of CRRC's procurement business to ensure timely supply of raw materials for production and reduce procurement costs.

3. Sales model: The Company takes advantage of industry technologies to build and improve technology platforms and product platforms for a variety of rail transit equipment and clean energy equipment in response to user needs, and, for the purpose of providing safe, reliable and affordable products and services, actively participates in open tender or negotiated tender of users inside and outside China, signs supply contracts through bidding and rigorous business negotiations to form orders to guarantee quality and quantity and production on schedule and finally achieve sales.
4. Distribution of the industrial chain: The Company has a number of rolling stock equipment and clean energy equipment manufacturing bases and research bases at an internationally advanced level. The Company has formed a complete nationwide industrial chain and production system with the main machinery companies of high-speed MUs, locomotives, urban rail transit vehicles, passenger carriages and freight wagons, and complete machine companies of clean energy equipment as its core and supporting companies as its backbone.



Report of Directors

5. Distribution of the value chain: The product value of the Company mainly lies in the value chain distribution system of the comprehensive rolling stock equipment with the production of high-speed MUs, high-power locomotives, urban rail transit vehicles, passenger carriages and freight wagons as well as the manufacturing and repairing of related supporting products and manufacturing of clean energy equipment and related supporting products as core value and supplemented with financial products, financial-related products and financial leasing products.
6. Scientific and technological innovation model: The Company adheres to the innovation roadmap of “exploring for a generation, pre-researching for a generation, researching and manufacturing for a generation and equipping for a generation”, set the strategic positioning of “One Core, Two Providers, First Class”, created a new pattern of industrial development of “Two Tracks and Two Clusters” for the rail transit equipment and clean energy equipment, and has a two-level research and development management model of “centralizing research and development of technology, jointly developing products and building and sharing capability” in place, gradually building a technological innovation system with “development, synergy, integration, global distribution and autonomy and control”, and forming an innovation pattern of “two verticals, two horizontals and one connect”.

(IV) Industry status

As the world’s leading and diverse rolling stock supplier with advanced technology, CRRC has consecutively ranked first in the world in terms of sales volume of rolling stock equipment for years. CRRC has actively implemented the strategy of building a transportation power, and fully, accurately and comprehensively implemented the new development concept based on the new development stages. We served and integrated into the construction of a new development layout, actively adapted to the new environment and changes, seized market opportunities to accelerate the structural reform, transformation and upgrading. We made great efforts to achieve new breakthroughs in business layout, market expansion, scientific and technological innovation, reform and innovation, management improvement, integration of industry and finance and the Party building “golden card”. The position in the rail transit equipment industry has been further consolidated.

III. Significant changes of the Company’s major assets during the reporting period

For details, please refer to the relevant content under the “Report of Directors – B. Management Discussion and Analysis – II. Major operation results during the reporting period – (III) Analysis of assets and liabilities”.





IV. Analysis of the core competitiveness during the reporting period

1. Continued leading market position

Since its establishment, CRRC has focused on its principal responsibilities and major businesses, strengthened strategic leadership, deeply grasped opportunities, and actively responded to challenges. It has developed into the world's leading, diverse rolling stock supplier with advanced technology, and received great attention from leaders of the Party and the state. The series of rolling stock equipment represented by Chinese standard high-speed MUs of "Fuxing" EMUs became the "golden card" of China's high-end equipment going global. In 2024, the Company accelerated the construction of a world-class enterprise, focusing on the layout optimization and structural adjustment. The Company has been enjoying a stable position in the rail transit equipment industry; the business of clean energy power generation equipment and low-carbon and zero-carbon transportation equipment has experienced rapid growth; the ability of providing system solutions and the level of integration of industry and financing, informatization and industrialization, etc., has been further enhanced. The Company continued to take a lead in the global rail transit equipment manufacturing industry in terms of economies of scale index. The revenue of rail transit equipment business ranked first in the world, and wind power equipment, energy storage equipment and polymer composite materials entered the forefront in China.



2. Innovation-driven technological capabilities

CRRC insisted on self-reliance in science and technology, vigorously implemented the innovation-driven development strategy, deepened the reform of the technology system, accelerated the construction of sources of original technologies, continued to advance proprietary innovation capabilities, sped up the cultivation and development of new quality productivity, and grasped the initiative of future development to achieve a major leap from falling behind and catching up to taking the lead. In 2024, the Company promoted the research and development of major products, with the competing emergence of scientific and technological achievements as follows: The Fuxing high-speed train won the Grand Prize for the State Scientific and Technological Progress Award (國家科學技術進步獎特等獎), and General Secretary Xi Jinping appraised that “high-speed rail technology has set an international benchmark”. The new generation of CR450 high-speed EMU prototype with a speed of 400 km/h was successfully launched. The series of new energy locomotives were successfully launched and were released centrally. The prototype development and 52 type tests of the power-concentrated EMU with the speed of 200 km/hour were completed. China’s first high-power hydrogen energy shunting locomotive, which was jointly developed with CHN Energy, completed a 10,000-ton loading test. The Chinese standard smart suburban train project was officially launched, and the first hydrogen energy suburban train in China was successful in the trial run. The world’s first new energy intelligent intercity suburban EMU and Smart Rail 2.0 green smart train were unveiled at InnoTrans. The world’s largest floating offshore wind turbine “Qihang” was rolled out, and the independently developed 118-meter onshore wind turbine blade once again broke the record. The Company vigorously gained a greater say in the standards. The Company presided over and participated in the formulation of 9 international standards and 100 national standards throughout the year. The Company strengthened its patent layout by adding 2,707 newly authorized patents, including 1,733 invention patents and 206 overseas patents. At the 25th China Patent Award, the Company achieved outstanding results with 1 Gold Award, 1 Silver Award, and 4 Excellence Awards.



3. The development direction of transnational operations

CRRC adhered to the path of internationalization, focused on infrastructure interconnection brought about by the Belt and Road Initiative and international production capacity cooperation as an opportunity, leveraged the new trend of multi-and bilateral regional investment and trade cooperation, strived to broaden the reach of the international market, and actively responded to challenges such as the new trend of globalization and accelerating industry competition. It also promoted the “going out” of the whole business chain, built a respected international company and achieved the transformation and upgrading as well as steady and healthy development of international operations. In 2024, international business achieved synergy. Having built the “platform company + advantage enterprise” DLS business development model, the Company signed three new DLS projects such as Northern Axis Line of the Sao Paulo TIC in Brazil, and the Dubai Metro Blue Line project won in December represented a major breakthrough in the high-end market in the GCC (Gulf Cooperation Council) region. Its DLS business has grown into an important part of the international business map. The Company maintained high standards to promote the key cooperation projects under the “Belt and Road” Initiative. The Jakarta-Bandung High-Speed Railway and the Railway have won praise for their operation and maintenance services. One year since the official opening, the Jakarta-Bandung high-speed Railway has reached the occupancy rate of 99.6%, which has accelerated the generation of happiness of the Indonesian people and become a flagship project of China-Indonesia cooperation under the Belt and Road Initiative. Upon the third anniversary of the operation, the China-Laos Railway has accumulated safe operation of more than 2.4 million kilometers, achieving good social and economic benefits and positive demonstration effects. The first train of the Budapest-Belgrade high-speed railway made an appearance at the Zemun Section in Belgrade, Serbia, marking the first time that the Chinese standard EMU with the “Fuxing” features entered Europe.

Report of Directors





B. MANAGEMENT DISCUSSION AND ANALYSIS

I. Discussion and analysis of operation

In 2024, under the leadership and scientific decision of the Board and guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Company further implemented the spirit of the important instructions of General Secretary Xi Jinping. Focusing on the "13679" business directions² and insisting on promoting the "seven new breakthroughs", the Company has achieved new results in the various endeavors. With the high-quality development foundation becoming more solid, strong support was provided for the full realization of the development goals under the "14th Five-Year Plan".

- (1) **Deep promotion of enhanced quality and efficiency for grasping and promoting the opportunities in the businesses and the market.** The Company made concrete efforts to facilitate quality improvement and efficiency enhancement and promote performance improvement. In 2024, the Company achieved revenue of RMB246.457 billion, representing an increase by 5.21%; net profit attributable to shareholders of the Company was RMB12.388 billion, representing an increase by 5.77%. The Company actively secured orders for locomotives, MUs, and freight wagons. 7 serialized new energy locomotives were

² "13679" business directions: "1" refers to focusing on the one theme of high-quality development; "3" refers to the three themes, namely value creation, innovation leadership and reform empowerment; "6" refers to digitalization and intelligence, premiumization, greenization, internationalization, collaboratization and branding; "7" refers to achieving the seven new breakthroughs of business layout, market expansion, scientific and technological innovation, reform and innovation, management improvement, integration of industry and finance, and the construction of the Party building "golden card"; and "9" refers to the nine tasks of comprehensive budget, business layout, market expansion, scientific and technological innovation, deepening reform, digital intelligence transformation, management improvement, risk control and Party building leadership.





first launched globally; the Fuxing high-speed sleeper train was delivered and put into use for the first time. Urban transportation business broke into full swing. With the focus of “product +” and “system +”, the Company vigorously expanded the incremental market of urban transportation business. New industry business expanded rapidly. The Company actively explored the capacity building of “network sourcing and load storage” system solutions, continued to promote the implementation of wind energy, photovoltaic energy, hydrogen energy and energy storage projects, optimized the market structure, and expanded the industrial chain. The international businesses joined hands and achieved synergies, and the Company has built the DLS business expansion model featuring “platform company + advantageous enterprise”.

- (II) **Digital and intelligence upgrades in full speed, with stronger development and transformation.** The Company deepened innovation in digital technologies and business integration, and advanced industrial digitalization and digital industrialization at the same time. Continuing to deepen industrial digitization and focusing on digital transformation engineering, the Company optimized the digital intelligence transformation and organization. The Company steadily promoted the construction of intelligent manufacturing system. CRRC Tangshan, CRRC Changchun and CRRC Sifang were included in the first batch of excellent intelligent factories by the Ministry of Industry and Information Technology. The digital infrastructure was gradually optimized. The construction of the first phase of the big data center has been completed and the center has been fully launched for operation. The Company accelerated efforts to tackle key challenges in digital technology, and the “AI+” initiative was proactively implemented. The Company has released the blueprint of the CRRC’s development in artificial intelligence and the industry model of “Aizor”, and conducted the application of 13 typical scenarios in manufacturing industry.

- (III) **Enhanced management to strengthen the fundamentals, with proactive and prudent risk prevention and control.** The Company deepened the enhancement of management in line with world-class standards, and constantly strengthened the foundation for high-quality development. The results of comprehensive lean management were outstanding. The Company strived to achieve standardization of project management, optimization of resource deployment, efficient execution processes, quality control and maximized project performance, with lean project management demonstration making breakthrough. Ongoing efforts were devoted to “dual carbon” and ESG management. The Company deepened the 3-year action on ESG system establishment and management enhancement, and was ranked on the Fortune China ESG Impact List for three consecutive years. The Company strengthened the source governance, hidden hazard investigation and problem rectification, with product quality and safety status remaining stable. The overall work safety was stable, and for five consecutive years, the goal of “three zeros” in production safety liability incidents, new occupational diseases to existing positions and environmental emergencies was achieved. The rule of law and compliance management has been strengthened. The Company has made solid progress in building world-class enterprises under the rule of law and strengthened compliance risk prevention and control in key areas.

II. Major operation results during the reporting period

In 2024, the Company achieved revenue of RMB246.457 billion, representing a year-on-year increase of 5.21%; net profit attributable to shareholders of the Company was RMB12.388 billion, representing a year-on-year increase of 5.77%. As at the end of December 2024, the total assets of the Company was RMB512.824 billion, representing a year-on-year increase of 8.70%; net assets attributable to shareholders of the Company was RMB168.774 billion, representing a year-on-year increase of 4.85%; the gearing ratio, which is calculated by dividing the Group’s total liabilities by its total assets as at 31 December 2024, was 59.01%, an increase by 0.66 percentage points as compared with that at the beginning of the year. In 2024, the Company entered into new contracts in the value of approximately RMB322.2 billion, of which new international business contracts were in the value of approximately RMB47.2 billion; as at the end of the period, orders in hand were in the value of approximately RMB318.1 billion.

(I) Analysis of main business

1. Analysis of changes in relevant items in income statement and cash flow statement

Unit: '000 Currency: RMB

Item	Amount for the current period	Amount for the same period of previous year	Change (%)
Revenue	246,456,804	234,261,514	5.21
Operating costs	193,763,279	186,136,608	4.10
Selling expenses	5,528,620	5,149,546	7.36
Administrative expenses	15,580,957	13,958,538	11.62
Financial expenses	-11,765	-212,298	-
Research and development expenses	15,936,698	14,363,696	10.95
Net cash flow from operating activities	27,127,503	14,721,616	84.27
Net cash flow from investment activities	-17,038,007	-11,177,322	-
Net cash flow from financing activities	-9,445,353	-5,366,691	-

Note: During the current period, the Company has changed its accounting policies due to the relevant new requirements and guidance of the accounting standards, and adopted the retrospective adjustment method to adjust the operating costs and selling expenses for the comparable period. For details, please see "V. Significant Accounting Policies and Accounting Estimates" of "30. Changes in Significant Accounting Policies and Accounting Estimates" in the Financial Report.

2. Analysis of revenue and cost

Revenue increased by 5.21% as compared to the same period of the previous year, mainly due to the increase in revenue from railway equipment.

Operating costs increased by 4.10% as compared to the same period of the previous year, mainly because of the increase in revenue from railway equipment. Operating costs increased followed by the increase in revenue. Operating costs increased at a slightly lower rate than revenue due to the different product mix.

(1) Information on main business by industry, product, region and sales model

Unit: '000 Currency: RMB

By industry	Revenue	Operating costs	Gross profit margin (%)	Main business by industry		
				Increase/ decrease in revenue from the same period of the previous year (%)	Increase/ decrease in operating costs from the same period of the previous year (%)	Increase/ decrease in gross profit margin from the same period of the previous year (%)
Railway transportation equipment and their extent industries	246,456,804	193,763,279	21.38	5.21	4.10	Increased by 0.84 ppt



Report of Directors

Main business by product

By product	Revenue	Operating costs	Gross profit margin (%)	Increase/ decrease in revenue from the same period of the previous year (%)	Increase/ decrease in operating costs from the same period of the previous year (%)	Increase/ decrease in gross profit margin from the same period of the previous year (%)	
Railway equipment	110,461,238	83,153,392	24.72	12.50	11.02	Increased By 1.00 ppt	
Urban rail transit vehicles and urban infrastructure	45,439,542	36,373,639	19.95	-9.72	-10.15	Increased by 0.38 ppt	
New industry	86,375,328	71,243,629	17.52	7.13	6.61	Increased by 0.41 ppt	
Modern service	4,180,696	2,992,619	28.42	-18.22	-23.75	Increased by 5.19 ppt	
Total	246,456,804	193,763,279	21.38	5.21	4.10	Increased by 0.84 ppt	

Main business by region

By region	Revenue	Increase/decrease in revenue from the same period of the previous year (%)
Mainland China	218,120,085	5.61
Other countries or regions	28,336,719	2.18

Main business by sales model

By sales model	Revenue	Operating costs	Gross profit margin (%)	Increase/ decrease in revenue from the same period of the previous year (%)	Increase/ decrease in operating costs from the same period of the previous year (%)	Increase/ decrease in gross profit margin from the same period of the previous year (%)	
Sales by order	246,456,804	193,763,279	21.38	5.21	4.10	Increased by 0.84 ppt	

Note: During the current period, the Company has changed its accounting policies due to the relevant new requirements and guidance of the accounting standards, and adopted the retrospective adjustment method to adjust the operating costs and selling expenses for the comparable period. For details, please see "V. Significant Accounting Policies and Accounting Estimates" of "30. Changes in Significant Accounting Policies and Accounting Estimates" in the Financial Report.

Explanation of main business by industry, by product, by region and by sales model:

Revenue from the railway equipment business increased by 12.50% as compared to the same period of the previous year, mainly due to the increase in revenue from the MUs business. Operating costs increased by 11.02% as compared to the same period of the previous year, mainly because the operating costs increased following the increase in revenue. The increase in operating costs was slightly lower than the increase of revenue due to the different product types.

Revenue from urban rail transit vehicles and urban infrastructure business decreased by 9.72% as compared to the same period of the previous year, mainly due to the decrease in revenue from urban rail transit projects. Operating costs decreased by 10.15% as compared to the same period of the previous year, mainly because the operating costs decreased following the decrease in revenue.

Revenue from the new industry business increased by 7.13% as compared to the same period of the previous year, mainly due to the increase in revenue from clean energy equipment. Operating costs increased by 6.61% as compared to the same period of the previous year, mainly because the operating costs increased following the increase in revenue. The increase in operating costs was slightly lower than the increase of revenue due to the different product types.

Revenue from the modern service business decreased by 18.22% as compared to the same period of the previous year, mainly due to the decrease in the scale of the logistics and financial leasing businesses during the current period. Operating costs decreased by 23.75% as compared to the same period of the previous year, mainly because the operating costs decreased following the decrease in revenue.

Revenue of the Company increased by 5.21% as compared to the same period of the previous year, and revenue from railway equipment business, urban rail transit vehicles and urban infrastructure business, new industry business and modern service business accounted for 44.82%, 18.43%, 35.05%, 1.70%, respectively, of the total revenue. In particular, revenue from the locomotive business of the railway equipment business was RMB23.627 billion; revenue from the passenger carriage business was RMB6.308 billion; revenue from the MUs business was RMB6.432 billion; revenue from the freight wagon business was RMB18.094 billion. Revenue from the urban rail vehicles of the urban rail transit vehicles and urban infrastructure business was RMB40.134 billion. Revenue from non-rail transit parts and components business under the new industry business was RMB62.810 billion. Revenue from the railway equipment repair and modification business under the railway equipment business was RMB41.783 billion. The Company sold 642 locomotives, 321 passenger carriages, 1,940 MUs, 31,554 freight wagons and 5,504 urban rail vehicles.

During the reporting period, the Company's revenue from Mainland China increased by 5.61%. Revenue from other countries or regions increased by 2.18%.

(2) Analysis of cost

Unit: '000 Currency: RMB

By industry	Cost of main business by industry				Proportion of change of amount for the current period as compared to amount for the same period of the previous year (%)
	Amount for the current period	Proportion in total cost for the current period (%)	Amount for the same period of the previous year	Proportion in total cost for the same period of the previous year (%)	
Railway transportation equipment and their extent industries	193,763,279	100.00	186,136,608	100.00	4.10

Cost of main business by product

By product	Amount for the current period	Proportion in total cost for the current period (%)	Amount for the same period of the previous year	Proportion of change of amount for the current period as compared to amount for the same period of the previous year (%)	
				Proportion in total cost for the same period of the previous year (%)	Proportion as compared to amount for the same period of the previous year (%)
Direct materials	157,970,144	81.53	153,273,889	82.34	3.06
Direct labor costs	11,342,981	5.85	10,082,273	5.42	12.50
Manufacturing costs	11,680,735	6.03	10,892,990	5.85	7.23
Others	12,769,419	6.59	11,887,456	6.39	7.42
Total	193,763,279	100.00	186,136,608	100.00	4.10

Note: During the current period, the Company has changed its accounting policies due to the relevant new requirements and guidance of the accounting standards, and adopted the retrospective adjustment method to adjust the operating costs and selling expenses in the comparable period. For details, please see "V. Significant Accounting Policies and Accounting Estimates" of "30. Changes in Significant Accounting Policies and Accounting Estimates" in the Financial Report.

(3) Information on major customers and suppliers

In 2024, the procurement by the Company from its top 5 suppliers amounted to RMB10.318 billion, accounting for 6.88% of the total amount of procurement for the year, of which procurement from related parties was RMB0, representing 0% of total procurement for the year.

In 2024, the sales of the Company to its top 5 customers amounted to RMB118.935 billion, accounting for 48.26% of the total sales for the year, of which sales to related parties were RMB0, representing 0% of total sales for the year.

Other descriptions

State Railway Group (including its affiliated railway bureau group company and its subsidiaries) is the largest customer of the Company, sales to which accounted for 43.96% of the total sales of the Company for the year.

None of the Directors of the Company or their close associates or any shareholders holding more than 5% of the Company's share capital has any interest in the above suppliers or customers.

Relationship with customers:

Since the product unit value was relatively high, our sales model mainly consisted of participating in tenders or tender negotiations, through bidding in tenders, communication and negotiation based on historical prices in determining the final price and secure orders. Our sales customers were mainly railway and urban rail transportation operators. Railway customers were divided into railway customers and non-railway customers. Non-railway customers were mainly large-scale plants, mining groups and ports, etc., the demand of which shows a trend of a year-on-year increase. Such customers were fragmented and thus the Company was not over-reliant on them. Urban rail transit customers are rail transit operators in different cities and the number of operators has increased year by year. The customers are fragmented, and thus the Company was also not over-reliant on them. For the year ended 31 December 2024, approximately 48.26% of our products were sold to our five largest customers.

Relationship with suppliers:

Our principal raw materials and components were purchased through external procurement while some were supplied by internal production. We have established direct and stable supply channels with our major suppliers and external contracted production units. Since our suppliers were not highly concentrated, there was little risk of overreliance on any single supplier. For the year ended 31 December 2024, approximately 6.88% of our products were manufactured by our five largest suppliers.

3. Expenses

Selling expenses increased by approximately 7.36% as compared to the same period of the previous year, mainly due to the increase in employee benefits and operating expenses.

Administrative expenses increased by approximately 11.62% as compared to the same period of the previous year, mainly due to the increase in employee benefits, repair expenses, amortization expenses and other general & administrative expenses.

Financial expenses were RMB-0.012 billion, compared to RMB-0.212 billion in the same period of the previous year, mainly due to the decrease in foreign exchange gains.

4. R&D Investment

(1) Table of R&D investment

Unit: '000 Currency: RMB

Expensed R&D investment for the current period	15,936,698
Capitalized R&D investment in the current period	748,890
Total R&D investment	16,685,588
Proportion of R&D investment in revenue (%)	6.77
Proportion of R&D inputs capitalized (%)	4.49

(2) Table of R&D personnel

Number of R&D personnel in the Company	21,138
Number of R&D personnel as a percentage of the total number of personnel in the Company (%)	13.90

Academic structure of R&D personnel

Education level	Number of people in education level
PhD	462
Postgraduate	10,353
Undergraduate and below	10,323

Age structure of R&D personnel

Age group	Number of people in the age group
Below 35	12,189
36 to 50	7,652
51 or above	969

(3) *Description*

In 2024, the Company continued to expedite key technological projects on every level. The Company initiated CRRC's 2024 project for cultivation of original technology for a term of 10 years, commencing 31 projects across three industrial directions: advanced rail transit equipment, strategic emerging industries, and future industries. In addition, the Company established the Joint Fund for Enterprise Innovation and Development under the National Natural Science Foundation of China and joined the Railway Basic Research Fund to continuously enhance its original innovation capabilities, with the first batch of 16 projects receiving funding. The Company focused on tackling the challenges of key core technologies and developing major new products, accelerating the application and promotion of innovative achievements from significant scientific research projects. In 2024, the Company launched 569 new R&D projects in rail transit equipment, and the complete machineries, systems and components of clean energy equipment. Through progress management methods such as visualized working progress and milestone tracking, the Company ensured the accelerated implementation of major projects and the smooth progress of various projects, thereby effectively supporting its sustainable and healthy development.

5. Cash flow

The net cash flow from operating activities was a net inflow of RMB27.128 billion, compared to a net inflow of RMB14.722 billion in the same period of the previous year, mainly due to the increase in the cash received by the Company for goods sold and services provided during the reporting period as compared to the same period of the previous year.

The net cash flow from investing activities was a net outflow of RMB17.038 billion, compared to a net outflow of RMB11.177 billion in the same period of last year, mainly due to the cash received by the Company from the recovery of investment decreased as compared to the same period of the previous year.

The net cash flow from financing activities was a net outflow of RMB9.445 billion, compared to a net outflow of RMB5.367 billion in the same period of last year, mainly because no new bonds were issued due to good payment collection during the reporting period.

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(II) Explanation on significant changes in profit resulting from non-principal business

During the reporting period, the Company had no significant changes in profit resulting from any non-principal business.

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: '000 Currency: RMB

Name of item	Amount at the end of the period	Amount at the end of the period as a percentage of total assets (%)	Amount at the end of the previous period	Amount at the end of the previous period as a percentage of total assets (%)	Proportion of change of amount at the end of the period compared to amount at the end of the previous period (%)
Other current assets	7,366,106	1.44	5,270,952	1.12	39.75
Debt investments	606,157	0.12	1,582,490	0.34	-61.70
Right-of-use assets	2,619,386	0.51	1,880,270	0.40	39.31
Development expenditures	956,787	0.19	715,820	0.15	33.66
Long-term deferred expenses	453,183	0.09	266,138	0.06	70.28
Bills payable	47,347,867	9.23	26,836,331	5.69	76.43
Lease liabilities	2,136,919	0.42	1,545,186	0.33	38.30

Other descriptions:

Other current assets increased by approximately 39.75%, mainly due to the increase in the purchased certificates of large amount deposit by the Company during the year.

Debt investments decreased by approximately 61.70%, mainly due to the decrease in the investment in interbank certificates of deposit by the Finance Company under the Company.

Right-of-use assets increased by approximately 39.31%, mainly due to the increase in the fixed assets rented by the Company in the year.

Development expenditure increased by approximately 33.66%, mainly due to the increase in the investments in development by the Company.

Long-term deferred expenses increased by 70.28%, mainly due to the increase in improvement cost of fixed assets under operating leases by the Company during the year.

Bills payable increased by approximately 76.43%, mainly due to the increase in bank acceptances and commercial acceptances payables of the Company during the year.

Lease liabilities increased by approximately 38.30% as compared to the previous year, mainly due to the corresponding increase in lease liabilities resulting from the increase in the right-of-use assets of the Company during the year.

2. Material assets subject to restriction as at the end of the reporting period

For details, please refer to “27. Assets with restrictive ownership title or right of use” in “VII. Notes of Consolidated Financial Statements” in the Financial Report.

3. Information on financial assets and financial liabilities held in foreign currency

Item	31 December 2024 (RMB'000)	31 December 2023 (RMB'000)
Foreign currency financial assets:		
Cash and bank balances	8,351,487	8,589,326
Held-for-trading financial assets	5,499	1,531
Accounts receivable	4,057,489	4,528,269
Other receivables	426,278	247,068
Other non-current financial assets	222,840	219,564
Total	13,063,593	13,585,758
Foreign currency financial liabilities:		
Short-term borrowings	3,384,552	3,237,753
Accounts payable	3,913,552	4,349,136
Other payables	1,342,207	1,908,031
Long-term borrowings (including those due within one year)	3,016,926	3,174,931
Lease liabilities (including those due within one year)	450,436	509,983
Total	12,107,673	13,179,834

4. Significant capital expenditure and capital commitment during the reporting period

(1) Significant capital expenditure

Item	From January to December 2024 (RMB'000)	From January to December 2023 (RMB'000)
Fixed assets	2,612,363	1,405,380
Construction in progress	8,510,801	5,468,347
Intangible assets	408,162	315,611
Development expenditures	16,602,661	14,809,227
Total	28,133,987	21,998,565

(2) Capital commitment

As at 31 December 2024, the capital commitments that the Group had contracted but not yet undertaken was RMB3,732 million, which will be used mainly for property, plant and equipment and other intangible assets.

5. Detailed information on contingent liabilities of the Company

The Company has no significant contingent liabilities other than the guarantees provided by the Company as set out in the section headed "Significant Events – IV. Significant Contracts and Their Implementation" and those items as disclosed in Note XIII to the consolidated financial statements of this annual report.

6. Detailed information on mortgaged assets of the Company

Item	31 December 2024 Amount (RMB'000)
Cash and bank balances	5,255,319
Bills receivable	2,419,205
Accounts receivable	45,864
Contract assets	537,761
Fixed assets	189,185
Intangible assets	694,203
Long-term equity investment	236,137
Total	9,377,674

7. Borrowings, corporate bonds and notes

As at 31 December 2024, the Group had total borrowings, bonds and notes of approximately RMB17,498 million, as compared to the total amount of approximately RMB26,001 million as at 31 December 2023.

As at 31 December 2024, out of the total borrowings, bonds and notes of the Group, RMB11,254 million was denominated in Renminbi, RMB1,668 million was denominated in USD, and RMB1,513 million was denominated in Euro.

The Group's long-term interest-bearing borrowings, bonds and notes and short-term interest-bearing borrowings, bonds and notes as at 31 December 2024 were RMB5,649 million and RMB11,849 million, respectively.

As at 31 December 2024, the total bank and other borrowings of the Group with floating interest rates amounted to RMB8,736 million, as compared to RMB8,112 million as at 31 December 2023.

	31 December 2024 Amount (RMB'000)	31 December 2023 Amount (RMB'000)
Within one year (starting date and ending date inclusive)	11,849,310	19,016,368
One to two years	235,399	1,617,289
Two to five years	989,501	2,132,942
Over five years	4,423,697	3,234,629
Total	17,497,907	26,001,228

8. Cash and cash equivalents

As at 31 December 2024, the cash and cash equivalents owned by the Group amounted to approximately RMB46,553 million, of which RMB41,929 million was denominated in RMB, 1,336 million was denominated in USD, and RMB1,353 million was denominated in Euro.

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(IV) Analysis of industrial and operational information

Please refer to “Report of Directors – A. Business Overview” and “Report of Directors – B. Management Discussion and Analysis – I. Discussion and analysis of operation” for relevant information.

(V) Analysis of investment

1. Overall analysis of external equity investment

As of the end of the reporting period, the long-term equity investment of the Company was RMB22.417 billion, representing an increase of RMB1.038 billion or by 4.86% from the beginning of the year, which was mainly due to the increase in the investment income recognized through the equity accounting method. For details, please refer to Note VII.15 Long-term equity investments to the financial statements.

(1) Significant equity investment

Unit: '000 Currency: RMB

Name of investee company	Principal business	Whether the subject involves in Company's main business	Means of investment	Amount of investment	Shareholding ratio	Whether consolidated into the financial statements of the Company	Statement item (if applicable)	Source of funding	Cooperative partner (if applicable)	Investment period (if any)	Progress as of the balance sheet date	Expected profit or gain (if any)	Effect on profit or loss of the period	Whether involved in litigation	Date of disclosure (if any)	Reference to disclosure (if any)
TIC TRENS S.A.	Fundraising, construction, operation, etc. for the PPP project of the Northern Axis Line of the Sao Paulo TIC in Brazil	Yes	New establishment	1,229,000	40%	No	Long-term equity investment	Own funds	COMPORTE PARTICIPAÇÕES S.A.	-	Still in execution	-	-	No	30 April 2024	Announcement of resolutions on the twenty-fourth meeting of the third session of the Board of CRRC Corporation Limited (Lin 2024-020)
CRRC Digital Intelligent Technology (Xiang'an) Co., Ltd. (中華數智科技(雄安)有限公司)	Industrial artificial intelligence, intelligent products, data business, etc.	Yes	New establishment	500,000	100%	Yes	Long-term equity investment	Own funds	-	-	Still in execution	-	-	No	31 October 2024	Announcement of resolutions on the twenty-eighth meeting of the third session of the Board of CRRC Corporation Limited (Lin 2024-038)
Total	/	/	/	1,729,000	/	/	/	/	/	/	/	/	/	/	/	/

On 29 April 2024, the “Resolution on the Investment and Establishment of the PPP Project Company of the Northern Axis Line of the Sao Paulo TIC in Brazil by CRRC Hongkong Co., Ltd.” was considered and approved at the 24th meeting of the third session of the Board of the Company. It was agreed that CRRC Hongkong, a wholly-owned subsidiary of the Company, and Brazil-based COMPORTE PARTICIPACOES S.A. made joint investment to establish the PPP project company of the Northern Axis Line of the Sao Paulo TIC in Brazil. For details, please refer to the “Announcement of Resolutions of the 24th Meeting of the Third Session of the Board of Directors of CRRC Corporation Limited” (Lin 2024-020) dated 29 April 2024 published by the Company. As at the end of the reporting period, the investee company has been registered under the name of TIC TRENS S.A..

On 30 October 2024, the “Resolution on the Establishment of CRRC Digital Intelligent Technology Co., Ltd. (中車數智科技有限公司)” was considered and approved at the 28th meeting of the third session of the Board of the Company. It was agreed to establish CRRC Digital Intelligent Technology Co., Ltd. by cash with registered capital of RMB500 million of the investee company, which is 100% held by the Company. For details, please refer to the “Announcement of Resolutions of the 28th Meeting of the Third Session of the Board of Directors of CRRC Corporation Limited” (Lin 2024-038) dated 30 October 2024 published by the Company. As at the end of the reporting period, the investee company has been registered with the administration for industry and commerce under the name of “CRRC Digital Intelligent Technology (Xiong’an) Co., Ltd.”.

(2) Significant non-equity investment

On 23 August 2024, the “Resolution on the Low-to-Medium Voltage Power Module Capacity Building (Yixing) Project under CRRC ZELRI” was considered and approved at the 27th meeting of the third session of the Board of the Company. For details, please refer to the “Announcement of Resolutions of the 27th Meeting of the Third Session of the Board of Directors of CRRC Corporation Limited” (Lin 2024-034) dated 23 August 2024 published by the Company. As of now, the project is still under implementation.

On 6 December 2024, the “Resolution on the Construction Project of Guangxi Baise Tianlin Nabi and Tianlin Lizhou Wind Farm of CRRC ZELRI” and the “Resolution on Smart Port Project of CRRC Sifang and Asset Acquisition in relation to Related-party Transactions” were considered and approved at the 29th meeting of the third session of the Board of the Company. For details, please refer to the “Announcement of the 29th Meeting of the Third Session of the Board of Directors of CRRC Corporation Limited” (Lin 2024-042) dated 6 December 2024 published by the Company. As of now, the project is still under implementation.

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(3) Financial assets measured at fair value

Unit: '000 Currency: RMB

Asset class	Opening balance	Gains/losses from changes in fair value during the current period	Aggregate changes in fair value included in equity	Provision for impairment loss during the current period	Amount purchased during the current period	Amount disposed/redeemed during the current period	Other changes	Closing balance
1. Held-for-trading financial assets	8,932,728	338,664	-	-	9,630,968	-10,680,096	8	8,222,272
2. Other equity instrument investment	2,808,190	-	-102,419	-	128,780	-166,684	35,518	2,703,385
3. Receivables at FVTOCI	11,498,099	-	93,264	-	-	-	-3,237,525	8,353,838
4. Other non-current financial assets	219,564	-	-	-	-	-	3,276	222,840
Total	23,458,581	338,664	-9,155	-	9,759,748	-10,846,780	-3,198,723	19,502,335

Private equity fund investments

For details, please refer to the announcement published by the Company on 16 December 2024 regarding the Subscription of Shares in the CAS Technology Achievement Transformation Venture Capital Fund (Guangdong) Partnership (Limited Partnership) (中科科技成果轉化創業投資基金(廣東)合夥企業(有限合夥)) by a Subsidiary of CRRC Corporation Limited (Lin 2024-045). As of now, the project is still in progress.

(VI) Significant sale of assets and equity

There were no significant asset or equity sales during the reporting period.

(VII) Analysis of major companies controlled or invested in by the Company

Unit: '000 Currency: RMB

Company name	Products and scope of main business	Registered capital	Total assets at the end of the period	Net assets		Revenue from January to December 2024	Operating profit from January to December 2024
				at the end of the period attributable to the shareholders of the parent company	Net profit from January to December 2024 attributable to the shareholders of the parent company		
CRRC Sifang	R&D and manufacturing of railway Mus, passenger carriages and urban rail transit vehicles; and repair services for railway Mus and high-end passenger carriages etc.	7,103,383	87,472,246	23,798,129	3,133,578	40,859,482	3,720,198
CRRC Changchun	Design, manufacturing, repair, sale and lease of railway passenger carriages, Mus, urban rail transit vehicles and the accessories thereof, as well as related technical services and technical consultancy etc.	6,277,764	70,529,885	25,092,505	2,626,148	33,395,921	2,748,486
CRRC ZELRI	Research and manufacturing on electric drive and control technologies related to rail transit and relevant electrical equipment; research and development and manufacturing of new energy power generation equipment; and research and development and manufacturing of railway locomotives and accessories thereof etc.	9,126,840	116,605,493	26,579,738	1,574,693	58,956,755	4,446,865
CRRC Zhuzhou	R&D and manufacturing of railway electric locomotives, MUs and urban rail transit vehicles etc.	5,585,395	42,459,117	12,766,313	1,274,013	22,025,562	1,475,480

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(VIII) Structured entities controlled by the Company

There were no structured entities under the control of the Company during the reporting period.

III. DISCUSSION AND ANALYSIS ON THE COMPANY'S FUTURE DEVELOPMENT

(I) Landscape and trend of the industry

1. Macro policy

In 2024, the domestic economy was generally stable and making progress with solid advancement in high-quality development, and the main goals and tasks of economic and social development were successfully accomplished. New quality productive forces developed steadily, and reform and opening up continued to deepen. Risks in key areas were mitigated in an orderly and effective manner and people's livelihood was assured in a solid way, with the Chinese path to modernization taking new solid steps forward. However, the external environment was complex and ever-changing, posing difficulties and challenges to China's economic operation. All in all, the Chinese economy has a stable foundation, numerous strengths, remarkable resilience and vast potential, and the long-term favorable supporting conditions and the basic trend remained unchanged. In 2025, China will continue to adhere to the general principle of seeking progress while maintaining stability, fully, accurately and comprehensively implement the new development philosophy, accelerate the establishment of a new development pattern, solidly promote high-quality development, further deepen reform in an all-rounded way, expand opening-up at a high level, build a modern industrial system, better coordinate development and safety, implement more proactive and impactful macro policies, expand domestic demand, promote the integrated development of technological innovation and industrial innovation, stabilize the real estate and stock markets, prevent and mitigate risks and external impact in key areas, stabilize expectations and stimulate vitality, sustain the upward trend of the economy, constantly improve people's living standards, maintain social harmony and stability, and fulfill the goals and tasks in the 14th Five-Year Plan with high quality, laying a solid foundation for a good start to the 15th Five-Year Plan. According to the comprehensive judgment, the development of CRRC is still in a period of important strategic opportunities.

In the “14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and the Outline of Long-term Objectives for 2035” published in March 2021, it was proposed to accelerate the construction of a powerful manufacturing country with strength in product quality, promote the deep integration of advanced manufacturing industry and modern service industry, strengthen the supporting and leading role of infrastructure, and build a modern industrial system with coordinated development of real economy, scientific and technological innovation, modern finance and human resources; consolidate and improve the competitiveness of the whole industrial chain in areas like high-speed rail based on the advantages of industrial scale, supporting advantages and first mover advantages in some fields, and build a strategic global industrial chain from complete machine products in line with the direction of industrial reform in the future; build leading enterprises that possess core competitiveness and can dominate in their respective ecosystems; cultivate advanced manufacturing clusters and promote the innovative development of advanced rail transit equipment and other industries. It was also proposed to promote the R&D and application of CR450, Chinese standard MUs of high speed level, and genealogical Chinese standard subway trains. It was proposed to speed up the construction of a powerful transportation country, build a modern comprehensive transportation system, promote the integrated development of various modes of transportation, and improve the network effect and operation efficiency; improve the comprehensive transportation channels, strengthen the construction of strategic main channels towards Xinjiang and Tibet, the central and western regions, and areas along rivers, coasts and borders, orderly promote the upgrading and expansion of channels with limited capacity, and strengthen the connectivity with neighboring countries; build a fast network and basically connect the “eight vertical and eight horizontal” highspeed railways; improve the mail line network, speed up the construction of ordinary speed railways and the electrification transformation of existing railways, and optimize the railway passenger and freight layout; promote the integration of transportation in city agglomerations and metropolitans, accelerate the construction of intercity railways and municipal (suburban) railways, and orderly promote the development of urban rail transit; improve the traffic accessibility and promote regional railway construction; build a multi-layer integrated comprehensive transportation hub system, optimize the layout of hub stations, promote intensive and comprehensive development, improve the collecting and distribution system, and develop intermodal transportation of passengers and goods.

In the Outline of Strategic Planning for Expanding Domestic Demand (2022-2035) published in December 2022, the theme of promoting high-quality development and the fundamental aim of meeting the growing needs of the people for a better life were proposed through firmly grasping the strategic base point of expanding domestic demand, accelerating the cultivation of a complete domestic demand system, strengthening demand-side management, promoting the formation of a strong domestic market, making efforts to open up the domestic economic cycle and promoting positive interaction between domestic and international cycles. It was proposed to strengthen the construction of transportation infrastructure, improve the national comprehensive three-dimensional transportation network with railways as the artery, promote the construction of the framework of "6 axes, 7 corridors and 8 channels", speed up the construction of the national railway network, open up the connective of the "eight vertical and eight horizontal" high-speed railways, promote the construction of regional links in an orderly manner, speed up the construction of ordinary-speed railways as well as the renovation and upgrading of existing railways, support the completion of inter-city railway networks in key city clusters, promote the development of urban (suburban) railways and urban railway transportation in key metropolitan areas, and integrate with the main railway line. It was proposed to strengthen the construction of energy infrastructure, significantly increase the level of clean energy utilization, build multi-energy complementary clean energy bases, accelerate the construction of large wind power and photovoltaic bases with a focus on deserts, the Gobi and wildernesses, promote the construction of new power systems, and enhance the capacity of clean energy consumption and storage. It was also proposed to promote the high-quality development of the manufacturing industry, to build China into a country with strong production and guide all kinds of high-quality resources and elements to converge to the manufacturing industry. The green way of life that is economical and intensive was advocated, with planning and building of urban and rural infrastructure in accordance with the concept of green, low-carbon cycles, recommendation of green and low-carbon travel and development of urban public transport.

In the mid-term evaluation report on the implementation of the "14th Five-Year Plan for the National Economic and Social Development of the People's Republic of China and the Outline of Long-term Objectives for 2035" released in December 2023, it was proposed that efforts should be made to push forward the new type of industrialization and accelerate the construction of a modernized industrial system. We should insist on focusing the physical economic development, promoting the high-end, intelligent and green development of the manufacturing industry, and accelerating the construction of a manufacturing powerhouse. We should enhance the resilience and safety level of the supply chain of the industrial chain and implement in-depth industrial foundation reconstruction projects and major technology and equipment tackling projects. We should promote the transformation and upgrades of traditional industries such as iron and steel, nonferrous metals, petrochemicals and chemicals, building materials, light industry, textiles and Chinese

medicine, so as to enhance their status and competitiveness in the global industrial division of labor. We should consolidate the leading position of advantageous industries such as rail transportation equipment, shipping and marine engineering equipment, power equipment, new energy vehicles, solar and photovoltaic energy, communication equipment and power batteries. We should promote the development of strategic emerging industries into integrated clusters, build a number of new growth engines such as new generation information technology, intelligent (connectivity) automobiles, new energy, new materials, high-end equipment, aviation and aerospace, biomedicine and high-end medical equipment, and security and emergency equipment, and accelerate the scale application of Beidou. We should carry out forward-looking planning and layout on a number of future industries to accelerate the formation of new quality productivity. We should vigorously develop productive service industries and promote the deep integration of modern service industries with advanced manufacturing industries and modern agriculture. We should accelerate the development of the digital economy, promote the deep integration of the digital economy and the real economy, formulate and implement the “1+N” action plan for the digital transformation of the manufacturing industry, deeply implement smart manufacturing projects, accelerate “intellectual change and digital transformation” of industries, and cultivate the development of digital industry clusters. We should also implement green manufacturing projects in an in-depth manner.

2. Industry policy

The Outline for Building China’s Strength in Transportation (《交通強國建設綱要》) published by the CPC Central Committee and the State Council in September 2019 stated that by 2035, a modern and comprehensive transportation system will have been basically formed, a “national 123 transportation circle” (one-hour commute in urban areas, two-hour travel between the cities of a conurbation, and three-hour reachability of major cities nationwide) and a “global 123 fast movement of goods circle” (one-day domestic delivery, two-day delivery to neighboring countries, and three-day delivery to global major cities) will have been basically established, the transportation technology innovation system will have been basically built with the installation of advanced and safe transportation key equipment, and the international competitiveness and influence of transportation will have been significantly improved. The transportation equipment should be advanced and applicable, sound and controllable. The research and development of new types of vehicles should be strengthened. The Outline also promoted new energy, clean energy, intelligent, lightweight, environmentally friendly transportation equipment and full sets of technical equipment, and widely application of emerging equipment and facilities such as intelligent high-speed railways, etc.

The Planning Outline of the National Comprehensive Three-Dimensional Transportation Network (《國家綜合立體交通網規劃綱要》) published by the CPC Central Committee and the State Council in February 2021 stated that by 2035, a modern and high-quality national comprehensive three dimensional transportation network with the feature of being convenient, smooth, economic, efficient, green, intensive, intelligent, advanced, safe and reliable will have been basically formed, the goal of international and domestic connectivity, three-dimensional accessibility in national major cities, effective coverage of county-level points will have been achieved, and the “national 123 transportation circle” and “global 123 fast movement of goods circle” will have been strongly supported. Through the construction of comprehensive three-dimensional transportation network with the railway as the artery, the highway as the base, and the comparative advantage of waterway and civil aviation being fully played, by 2035, the total physical line length of the national comprehensive three-dimensional transportation network will reach about 700,000 kilometers. Total length of the national railway network will reach about 200,000 kilometers, of which about 70,000 kilometers will be covered by high-speed railways (including part of inter-city railways) and about 130,000 kilometers will be covered by ordinary-speed railway (including part of urban railways); the high-speed railway network with the “eight vertical and eight horizontal lines” high-speed artery railways as the framework, and the regional high-speed railways being connective, and the ordinary-speed railway network with certain vertical and horizontal ordinary-speed artery railways as the framework, and the regional ordinary-speed railways being connective will be built; the intercity railway network in key urban agglomerations including Beijing-Tianjin-Hebei Region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and two-city economic circle in the Chengdu and Chongqing regions will be completed first, followed by the gradually building of inter-city railway network in other urban agglomerations; the high-speed maglev railway layout and test line construction among megacities will be researched and advanced. The Company will strengthen the traffic connection of the 4 poles of the Beijing-Tianjin-Hebei, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing region twin-city economic circle, the 8 areas in the middle reaches of the Yangtze River, the Shandong Peninsula, the west coast of the Straits, the Central China, Harbin and Changchun, South Central Liaoning, the Beibu Gulf and the Central Shaanxi Plain, and the 9 clusters including Hohhot, Baotou, Ordos and Yulin, Central Guizhou, Central Yunnan, Central Shanxi, Northern Tianshan Mountain, Western Lanzhou, Ningxia along the Yellow River, Lhasa and Kashgar, to build the main skeleton of the national comprehensive three-dimensional transportation network consisting of 6 main axes, 7 corridors and 8 passages.

In the “14th Five-Year Plan for the Development of Modern Comprehensive Transportation System” issued on 9 December 2021, it was proposed to promote the application of advanced transportation equipment, promote advanced and applicable transportation equipment, carry out the R&D and application of CR450, Chinese standard MUs of high speed level, and genealogical Chinese standard subway trains, and promote the technical equipment of railway heavy haul transportation; promote the R&D of new equipment such as underwater robots and deep diving equipment; promote the development of intelligent storage and distribution facilities and equipment; consolidate and enhance the competitiveness of the whole industrial chain in high-speed rail and other fields, and create Chinese standards and Chinese brands in the areas of rail transit and other technical equipment. It was proposed to consolidate the foundation for innovation and development, promote the self-reliance and independence of transportation science and technology, strengthen the R&D of key core technologies in the area of transportation, accelerate the R&D of key components such as bearings, basic technology platforms and software and hardware systems, and promote the realization of independent control and industrialization; strengthen forward-looking and strategic technical research reserves in the area of transportation, and carry out research and demonstration of highspeed maglev technology. It was proposed to comprehensively promote the green and low-carbon transformation, adhere to the concept that clean environment is valuable, give priority to ecology, comprehensively promote the green and low-carbon transformation in the whole life cycle of transportation planning, design, construction, operation and maintenance, jointly promote pollution and carbon reduction, form a long-term mechanism for green and low-carbon development, and make transportation more environmental friendly and travel in a more low-carbon manner.

In the New Urbanization Implementation Plan under the 14th Five-Year Plan promulgated in July 2022, it was proposed to cultivate modernized urban areas in an orderly manner, improve transportation connectivity and convenience in urban areas, develop inter-city railways and urban (suburban) railways in an orderly manner by coordinating the utilization of existing lines and new lines, develop urban railways in an orderly manner to promote the effective interconnection of inter-city and intracity transportation and the “integration of the four railway networks”. It was proposed to strengthen the support of comprehensive traffic and transportation networks, basically connect comprehensive transportation corridors, increase the coverage of railways and expressways in cities, build integrated transportation networks for city clusters, accelerate the construction of inter-city railways and urban (suburban) railways in Beijing-Tianjin-Hebei, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area, orderly promote the construction of multi-level railway transportation in the Chengdu-Chongqing region twin-city economic circle and other key city clusters, with the goal of adding 3,000 km of new inter-city railways and urban (suburban) railways and basically realizing a two-hour access between major cities by 2025.

In the “Implementation Plan for Promoting High-Quality Development of New Energy in the New Era” promulgated in May 2022, it was proposed to innovate the mode of development and utilization of new energy, accelerate the construction of large wind and photovoltaic bases with a focus on deserts, the Gobi and wildernesses, and increase efforts to plan and build new energy supply and consumption systems supported by large wind and photovoltaic bases as well as clean, efficient and advanced energy-saving coal power in their vicinity, and carried by stable, safe and reliable ultra-high voltage transmission and transformer lines. It was also proposed to support and guide the healthy and orderly development of the new energy industry, promote systematic research by enterprises, research institutes and universities on issues such as the safety, stability and reliability of power systems which are gradually increasing the new energy proportion, propose solutions to promote breakthroughs in key technologies such as high-efficiency solar cells and advanced wind power equipment, and accelerate the technological upgrade of key basic materials, equipment and parts.

In the “Action Plan to Effectively Reduce Logistics Costs in the Whole Society” issued by the general offices of the Central Committee of the Chinese Communist Party and the State Council in November 2024, it was proposed to properly handle the relationship among structural adjustment and deepening reform, building a strong network and unclogging the endpoints, building hubs and optimizing the layout, so as to promote the optimization and efficiency maximization of logistics resource allocation in the whole society, and improve the degree and efficiency of logistics organization. It was also proposed to promote the integration and innovation of logistics and industries, strengthen synergies and elemental protection, solve the problem of unbalanced and inadequate logistics development, coordinate efforts to substantially reduce logistics costs, and effectively reduce transportation costs, storage costs and management costs. It was proposed to promote reform in key railway areas. It was proposed to formulate and implement reform plans for the railway freight market, promote the transformation of railway freight to railway logistics, and support railway freight terminals in carrying out logistics service operations in an orderly manner in accordance with laws and regulations. It was also proposed to reform railway transportation and scheduling production organization, strengthen cross-bureau transportation organization and coordination, innovate a series of logistics products, vigorously develop efficient, stable and market-oriented direct freight trains, and explore the use of the express function of high-speed rail.

3. Industrial investment planning

According to the 2024 Statistical Bulletin of National Economic and Social Development and the 2024 Statistical Bulletin of China State Railway Group Co., Ltd., the fixed asset investment of RMB850.6 billion was completed for the national railway, representing a year-on-year growth of 11.3%, and 3,113 kilometers of new lines were put into operation, of which 2,457 kilometers were high speed railways, demonstrating the effectiveness of the services in ensuring the country's major strategies. The volume of freight transportation increased steadily, while passenger transportation continued to grow. The total volume of freight transportation by railways across the country reached 5.17 billion tons, representing an increase of 2.8% over the previous year, and the total number of passengers transported by railways across the country was 4.31 billion, representing an increase of 11.9% over the previous year. According to the 2024 urban railway newsflash issued by China Association of Metros, in 2024, new lines, sections, or extensions of urban railways commenced operations in 25 cities including Beijing and Shanghai, and 953.04 kilometers of new urban railway lines, 25 new lines and 26 newly opened rear sections or extension sections of existing lines were added. In 2024, the new large capacity system (subway) of 738.26 kilometers was added, accounting for 77.46%; medium capacity system (urban express railway) of 171.82 kilometers were added, accounting for 18.03%; and low-capacity system (including trams, electronically guided rubber-tyred systems and rail-guided rubber-tyred systems) of 42.96 kilometers were added, accounting for 4.51%.

According to the working meeting of China State Railway Group Co., Ltd., in 2025, the national railway aims to send 4.28 billion passengers, representing a year-on-year growth of 4.9% and 4.03 billion tons of goods, representing a year-on-year growth of 1.1% and fully complete the national railway investment task, advance key national projects with high quality, and strive to complete infrastructure investment of RMB590 billion. A total of 2,600 kilometers of new lines will be put into production, bringing about the total transportation revenue of RMB1.016 trillion, representing a year-on-year increase of RMB25.8 billion or 2.6%. The Company will adhere to green development, pragmatically and steadily promote carbon peak and carbon neutrality of railways.

CRRC continuously keeps abreast of the international and domestic political and economic situation and dynamics, and industry development trends, to study and make judgement on the market demand. The Company will meet the existing market demand based on the model of "limit production to sales" to ensure the timely delivery and safe operation of major products. By sticking to supply-side structural reform and capturing the strategic opportunities of the "Belt and Road" Initiative, construction of national railway network, construction of inter-city and city (suburban) railway, construction of urban rail transit, and adjustment of transportation structure, etc., the Company will continuously strengthen innovation-driven, rationalize allocation of resources, optimize product structure, and make innovations in business model to provide more intelligent, efficient, environmentally friendly and reliable rail transit equipment and system solutions with full life cycle, and achieve the win-win results with stakeholders.

(II) Development strategies of the Company

The “14th Five-Year” strategic plan: based on the new development stage, it will implement the new development concept, and build a new development pattern. By taking the promotion of high-quality development as the theme, and with reform and innovation as the fundamental driving force, it will practice the strategy of the construction of China into a powerhouse of science and technology, manufacturing, transportation and quality. It will work to create an innovation-driven business development system with six characteristics (digitalization, high-end, green, internationalization, coordination, and branding), and an efficient and compliant management system of “five forces” (namely, strategic leadership, emerging strategic leadership, organizational reform strength, value creativity, risk prevention and control), and strong Party building and leading system of “five guarantees” (namely, political guarantee, ideological guarantee, organizational guarantee, talent guarantee, discipline guarantee). It will build new CRRC with good development prospects, excellent operating performance, beautiful social image, high happiness index, and strong Party building leadership, and become a world-class high-end equipment manufacturer and system solution provider with rail transit equipment as its core and global competitiveness.

1. Railway equipment business

While highlighting global competitiveness, innovation, influence and control, the Company works to establish a full-factor market management philosophy, maintain domestic market share, and stabilize the No.1 place in the global industry scale. It will deepen the follow-up cooperation strategy with major customers such as the State Railway Group, actively adapt to the development trends of high-speed, heavy-load, service-based, intelligent-oriented, and green development, and continue to enhance the market response, product development and quality assurance capabilities of the main railway line and provide strong support for the high-quality development of China’s railway. It will build a collaborative and integrated after-sales service system, deepen the construction of parts centers, forming an integrated after-sales service solution. It will also carry out in-depth product maintenance and overhaul technology research, vigorously expand the maintenance business, and strengthen and improve the overhaul business. It will enhance product life cycle service capabilities, build a product life cycle technology and cost framework system, build a life cycle management big data platform, and accelerate the transition from manufacturing to “Product+”.

2. Urban rail transit vehicle and urban infrastructure business

The Company will conduct in-depth research and overall planning of the top-level design of eight smart urban rail systems, promote serialized demonstration applications of Chinese standard subway trains, and actively develop new-standard small and medium-sized urban rail equipment such as trams, maglev, monorail, APM, etc., to help the development of new urbanization. It will vigorously develop mainline railways, inter-city railways, urban (suburban) railways, and urban rail transportation equipment that adapt to the integrated development of multi-level, multi-mode, and multi-standard rail transit systems to meet the diverse needs of the development of urban agglomerations and metropolitan areas in China. It will give full play to the Company's overall advantages, strengthen planning and design consulting, mechanical and electrical integration and general contracting, construction project general contracting and consulting, operation services and consulting, investment and financing support, gradually forming the entire industry chain systematic solution capability of the rail transit industry.

3. New industry business

The Company will accelerate the serialization, genealogy, standardization, and modularization of core systems and key components, enhance core competitiveness, and expand the global market, creating individual champions and invisible champions. By emphasizing specialization, scale, growth and high-quality development, it will focus on transportation, energy, and industry, and leverage the advantages of "technology homology, industrial co-chain, resource sharing, and system integration" to strengthen innovation-driven development, integrate key resources, and promote the integrated development and cluster development of energy and transportation. It will focus on the development of clean energy generation equipment centered on "wind energy, photovoltaic energy, hydrogen energy and energy storage" to provide high-end equipment and system solutions for construction of new power systems. It will emphasize the development of low-carbon and zero-carbon transportation equipment centered on components of new energy vehicles, forming a green and diversified development model, and becoming a new industrial cluster. It will accurately grasp the "one system, two sides" relationship of digital and intelligent industries and digital transformation of CRRC, fully utilize the extensive application scenarios of CRRC, accelerate the development of system solutions for the high-end equipment manufacturing industry that integrate "intelligent equipment + smart factories + intelligent services". It will form a new development pattern for rail transit equipment and clean energy equipment industries supported by CRRC's digitalized and intelligent offerings, cultivating digital and intelligent industries that integrate automation, lean management, greenization and intelligence.

4. Modern service business

The Company will highlight the supporting role, driving role, synergy effect, and risk prevention and control. Based on the principle of overall benefit maximization of CRRC, it will focus on serving the main business industry, innovate business models, optimize the allocation of elements, standardize internal operations, and steadily develop modern service businesses. In accordance with the principles of marketization, standardization and co-construction, sharing and win-win outcome, it will standardize the development of centralized procurement and supply chain services, capital centralized services, financial services, information-based construction and asset management, operation and maintenance services, technical research services which are forward-looking, common and basic, and internal support businesses including general engineering contracting. With high-quality development as the goal, the Company will focus on its main responsibilities and core businesses, continue to promote the optimization and adjustment of the financial business, and further optimize the landscape of the financial business. The Company will mobilize social capital and support the long-term construction of the industrial chain by the integration of internal and external resources, the improvement of professional capabilities and the steady development of platform businesses such as financial services, industry funds and overseas fund management, improve the mechanism for coordinated industrial development, so as to provide financial service system solutions for industrial development and drive the development of the Company's "Two Tracks and Two Clusters" industries.

5. International business

The Company shall build an organizational structure and control system suitable for the international operation, strengthen the internationalization infrastructure and promote the synergistic sharing of information, marketing and manufacturing resources. In accordance with the principle of "complete machines drive components, manufacturing drives services, rail transportation drives strategic emerging, and turnkey drives the industry chain", the Company will continue to expand the scale and market share of its overseas operations by leveraging on its advantage as a dominant enterprise as a traction driver. By establishing a sound marketing network and mastering international business logics flexibly, the Group will enrich market development methods, make full use of the resource capacity of overseas organizations, and build up the ability to provide system solutions that meet the needs of the target market, using the host enterprises of rail transportation equipment to drive the supporting enterprises and the whole industry chain to "go global". The Group will also actively compete in the international market for strategic emerging industries and continue to expand the international market for wind power equipment, new materials and other business areas. Furthermore, the Group will strive to make international business an important part of CRRC's development and business growth; continue to optimize the business structure, increase the proportion of overseas DLS business and new industries, complete the global regional layout, and form a globalized control mode of resource pooling and rapid response; strengthen the ability of business synergies, realize brand unification and effective synergies and complementarities of resources; and build up the complete capability of comprehensive system solutions and full life cycle solutions.

(III) Operation plans

2024 was a year of breakthroughs during which the Company forged ahead and undertook its missions. In the face of the arduous and onerous tasks of reform and development, the Company anchored its focus on high-quality development over the past year, resolutely serving as a strategic force for the comprehensive construction of a modernized socialist country, a leading force driving the comprehensive upgrade of the industrial systems of China and a supporting force for economic and social development of the country. The Company adhered to the general principles of seeking progress while maintaining stability, focusing on the “three themes”, accelerating the creation of a modernized industrial system with the characteristics of “six modernizations”, pushing forward the “seven new breakthroughs” through the “seven establishments” and paying close attention to the “nine key tasks”³. The Company made concerted efforts to step forward, build on past achievements, fully tackle key challenges in the development, strove to enhance the core competitiveness of the industry, promoted the transformation and upgrading of traditional industries, and cultivated new growth drivers of emerging industries. The operation performance was in line with expectations With stronger development momentum.

The year 2025 is the final year of the “14th Five-Year Plan”. The Company will focus on enhancing core functions, improve core competitiveness, further deepen value creation, innovation leadership, and reform empowerment. It will continuously polish the national brand, firmly establish international benchmarks, and adopt more powerful and effective measures to actively promote the implementation of various strategic goals while striving to maintain stable development momentum. The main business working concepts are: to adhere to the general principles of seeking progress amidst stability, take the high-quality development as the main line, pay more attention to the three themes of value creation, innovation leadership and reform empowerment, focus on new quality productivity, the characteristics of the “six modernizations”, system integration, core functions and core competitiveness, push forward the “seven new breakthroughs” through the “seven establishments”, and fully pay close attention to the “nine key tasks”, to make new and greater contributions to the comprehensive advancement of the construction of a strong country and the national renaissance with the Chinese path to modernization.

³ “Nine key tasks”: comprehensive budget, business layout, market expansion, scientific and technological innovation, deepening reform, digital and intelligent transformation, management improvement, risk control, and strong Party building and leadership.

(IV) Potential risks

1. Strategic risks

With the continuous deepening reform of the national railway, users have put forward higher level requirements for products and technologies based on efficiencies, and the comprehensive requirements for the full life cycle, the entire industry chain and the whole cost elements, as well as the requirements for standardized, platformized, and digitalized products have been enhanced. The reforms in the mileage, life cycle and other rules for rail overhaul as well as the extension of the cycle of the advanced repair of MUs and the passenger carriages repair in works have posed a challenge to the “overhaul+service” of the MUs. The Intercity Railway Company has been inclined to replace the urban railway construction mode with the urban railway mode. China has issued a series of policy documents on infrastructure construction, mainly aiming at regulating the investment behavior in the field of infrastructure, resolving the debt risk of local governments, and promoting the realization of high-quality development, which has a greater impact on the development of urban railway transportation in China.

Response measures: Collect information, in a timely manner, of industrial policy or industrial planning which is in relation to the Company’s operation; conduct proper studies on policy and trend and positively deal with possible changes in policies and industrial planning; In order to hedge against the downside risks of the industry, the urban rail transportation business has adopted the basic policy of transformation and structural adjustment to seek business transformation and has made every effort to create the “Product+” and “System+” business models to provide users with digitalized, intelligent and green full life cycle system solutions and services and to create new sources of income. Strengthen internal management; improve operation and management standards; reduce operating costs; endeavor to improve operational efficiency and enhance the ability to mitigate policy risks.

2. Market risks

The rail transit equipment market, main line railway construction and railway operation rights have been fully liberalized. The willingness for social capital to invest in the rail transit equipment sector has increased significantly. State-owned, private, and foreign enterprises have entered the rail transportation field one after another; cross-border competition has become the norm, and competition within the industry has become more intense. With the rapid development of new technologies and new business forms, domestic railway passenger and freight transportation is constantly optimized in terms of the market, service and innovation, and market demand may undergo structural adjustment. In addition, certain domestic enterprises have pathed the layout and secured orders in the business of rail transit vehicles and parts, which will have certain impacts on the development of the core businesses of CRRC. In addition, the Company is facing fierce competition in wind turbines.

Response measures: Adhere to systematic thinking, conduct in-depth study and analysis of the development pathways of domestic and overseas competitors. Optimize the Company's industrial structure and expand new business models by adhering to an innovation-driven approach, extending the industrial chain and providing system solutions. Promote the Company to establish a long-term cooperation mechanism with relevant regions and cities that is open for sharing and mutually beneficial, and vigorously develop "Product+" and "System+" businesses. Make efforts to reduce cost in wind turbines to improve the gross profit margin, and effectively respond to low-price competition through measures such as enhancing the technological competitiveness of products and improving supply chain management.

3. Product quality risks

As a core enterprise in the railway transportation equipment industry, the Company provides various types of MUs, locomotives, passenger carriages, freight wagons and urban rail transit vehicles which are directly related to the life and property safety of the general public and have become a key focus of widespread attention. Any major safety and quality issues may have an adverse impact on the Company, and even impact on the development of the rail transportation industry within a certain period of time. In order to ensure the safety of railway transportation, competent authorities in the industry (including the National Railway Administration) and major clients (including the State Railway Group) have made every effort to establish a safety mechanism for railway transportation, thus posing higher standards for the safety and reliability of the rail transportation equipment.

Response measures: Fully implement CRRC's Q quality management standards, strengthen and enhance the quality control of products during the product realization process, and ensure the quality assurance ability in key processes such as design, procurement, production and after-sales services. Focus on various technical quality issues that affect product operation, carry out the rectification of source quality issues and continuously improve the quality and safety level of complete equipment product application. Improve the emergency guarantee mechanism for product application issues, improve the response speed and coordination ability of responding to emergencies and emergency rescue, and make every effort to reduce the harm and impact caused by incidents.

4. Foreign exchange risks

With the accelerated pace of internationalization of the Company, product exports, overseas investments, mergers and acquisitions and other activities will further increase, which may trigger various risks due to exchange rate fluctuations. For example, due to the fluctuating financial environment, the durations of payment collection in DLS (offshore “System +”) projects and the unpredictable trend of exchange rate, the Company may suffer exchange losses; since some overseas product items are settled in non-major currencies, it is difficult to hedge against exchange risks; uncertain foreign exchange collection time makes it more difficult in the adoption of hedging.

Response measures: Improve the management of corporate risk appetite and implement budgetary control of exchange rate exposures. Implement quantitative control of exchange rate exposure limits based on our risk tolerance. For businesses that are suitable for hedging, make good use of financial derivatives, and strictly adhere to the hedging principle and reasonably hedge against foreign exchange risks. Carry out exchange rate risk monitoring and actively respond to the challenges from exchange rate fluctuations.

5. Overseas operating risks

Certain overseas countries are increasing security checks on foreign investment, and have included national security, and infrastructure and high and new technologies in their screening scope of foreign investment. Certain overseas countries pursue trade protectionism, which affects the acquisition of export orders and increases the difficulty of implementing the orders at hand. In addition, the factors continue which bring negative impacts such as overseas labor shortage, overseas parts supply interruption and increased project costs, which will have an adverse impact on the Company’s overseas operations.

Response measures: Actively study the impact of investment screening in overseas countries on the Company and strengthen the review of overseas investment projects to ensure investment safety. Strengthen communication and liaison with owners of projects to optimize the resource allocation and ensure that orders in hand are executed properly. Establish a long-term tracking mechanism for market project information, thereby effectively maintaining customer relationships, and policy insurance mechanism such as Sinosure will be used to control the risk of payment collection after projects are implemented.

6. Industrial structure adjustment risks

Due to the historical reasons, structural overcapacity exists in certain businesses in the rail transportation equipment business of the Company, and it is required to carry out industrial structure adjustment. Related enterprises and businesses are subject to various factors such as business fundamentals, industry relevance and historical development., which have brought various difficulties and risks to the adjustment of industrial structure of the Company.

Response measures: The Company has established a special institution to research the reform plan in the rail transportation sectors, analyze and sort out the business structure by strengthening the core functions and enhancing the core competitiveness, and push forward the concentration of resources to the main businesses and advantageous enterprises according to the principles of differentiated positioning, market-oriented operations, intensive operations, professional management and synergic development. Continuously promote deeper integration from “physical changes” to “chemical changes” for the restructured enterprises to fully release the effectiveness of reform and restructuring. Continuously optimize the deployment of rail transportation resources to achieve the maximization of resource efficiency and interests of the Company.

IV. Proposal for profit distribution or transfer of capital reserve to share capital

(I) Formulation, execution or adjustment of cash dividend policy

After the establishment of CRRC, the Company has formulated and perfected relevant contents of profit distribution in the Articles of Association. According to the spirit of “positively returning to shareholders”, the Company has regulated rules, policies, basic requirements, decisions and adjustment procedures for profit distribution, clarified the specific ratio of cash dividends, which fully protects the legitimate rights of medium to small investors.

On 28 March 2024, the Company held the 23rd meeting of the third session of the Board, pursuant to which the 2023 Proposal for Profit Distribution Plan of CRRC Corporation Limited was considered and approved to distribute cash dividends to all shareholders based on the total share capital registered on the registration date for dividend distribution. As of 31 December 2023, the total share capital of the Company was 28,698,864,088 shares, based on which and calculating at cash dividend of RMB0.2 (tax inclusive) per share, the Company was proposed to distribute cash dividend of RMB5.74 billion (tax inclusive) in aggregate, and the remaining undistributed profit would be carried forward for next year’s distribution. The Company’s cash dividends for 2023 accounted for 49.01% of the Company’s net profit attributable to shareholders of listed company in 2023. On 15 June 2024, the resolution was approved at the 2023 annual general meeting of the Company. On 14 August 2024, the implementation of profit distribution plan for 2023 was completed.

Report of Directors

On 28 March 2025, the Company held the 32nd meeting of the third session of the Board, pursuant to which the 2024 Proposal for Profit Distribution Plan of CRRC Corporation Limited was considered and approved to distribute cash dividends to all shareholders based on the total share capital registered on the registration date for dividend distribution (the specific date will be clarified in the announcement on the implementation of dividend distribution). As of 31 December 2024, the total share capital of the Company was 28,698,864,088 shares, based on which and calculating at cash dividend of RMB0.21 (tax inclusive) per share, the Company was proposed to distribute cash dividend of RMB6.027 billion (tax inclusive) in aggregate, and the remaining undistributed profit will be carried forward for next year's distribution. The Company's cash dividends for the year accounted for 48.65% of the Company's net profit attributable to shareholders of listed company in 2024. In the case where from the date of disclosure of announcement on profit distribution plan to the registration date for dividend distribution, there are changes in the total share capital of the Company due to the conversion of convertible bonds, repurchase of shares, cancellation of repurchased shares granted under equity incentive schemes, cancellation of repurchased shares due to material asset restructuring, etc., the Company proposes to keep the total distribution amount unchanged, and to adjust the distribution proportion per share accordingly. If the total share capital of the Company changes subsequently, specific adjustments will be announced separately. The profit distribution plan is subject to the consideration and approval at the 2024 annual general meeting of the Company.

If the proposal for profit distribution mentioned above is considered and approved by the general meeting of the Company, it is expected that the Company will pay dividends in cash on or before 14 August 2025. When the specific time is determined for convening the general meeting, the Company will make a separate announcement on further details regarding the closure of the registration of members of the H shares and the expected cash dividend payment date, if any update, in respect of the relevant dividend distribution.

(II) Special notes on cash dividend policy

Whether it complies with the provisions of the Articles of Association or the resolution of general meetings	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the criteria and ratio of dividend distribution are clear and explicit	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are sufficient	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the independent Directors have performed their duties and responsibilities and played their due roles	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether minority shareholders have adequate opportunities to express their opinions and requests, and whether their legitimate rights and interests are adequately protected	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

(III) Proposed distribution of profits and transfer of capital reserves to share capital during the reporting period

Unit: '000 Currency: RMB

Number of shares to be distributed for every ten shares (shares)	-
Amount to be distributed for every ten shares (RMB) (tax inclusive)	2.1
Number of shares to be converted into share capital for every ten shares (shares)	-
Amount of cash dividend (tax inclusive)	6,026,761
Net profit attributable to ordinary shareholders of listed company in the consolidated financial statements	12,387,514
Percentage of amount of cash dividend to the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	48.65
Amount of shares repurchased in cash included in distribution of cash dividend	-
Total amount of dividends (tax inclusive)	6,026,761
Percentage of the total amount of dividends to the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	48.65

(IV) Cash dividend for the latest three accounting years

Unit: '000 Currency: RMB

Cumulative cash dividend (including tax) for the latest three accounting years (1)	17,506,307
Cumulative repurchase and cancellation amount for the latest three accounting years (2)	-
Cumulative cash dividend and repurchase and cancellation amount for the latest three accounting years (3)=(1)+(2)	17,506,307
Average annual net profit for the latest three accounting years (4)	11,917,513
Cash dividend ratio for the latest three accounting years (%) (5)=(3)/(4)	146.90%
Net profit attributable to ordinary shareholders of the Company in the consolidated financial statements for the latest one accounting year	12,387,514
Undistributed profits at the end of the year for the financial statements of the Company for the latest one accounting year	7,289,186

V. Tax and Tax Relief

In accordance with the revised Enterprise Income Tax Law of the People's Republic of China and its implementation rules which became effective on 29 December 2018, and the circular on Issues Relating to the Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Overseas Non-resident Enterprise Shareholders Holding H Shares issued by the State Administration of Taxation (Guo Shui Han [2008] No. 897), enterprise income tax shall be withheld at a rate of 10% when the Company pays final dividends to non-resident enterprise shareholders whose names appear on the register of H shareholders of the Company. The enterprise income tax shall be withheld for the dividends of any H Shares under the names of non-individual shareholders (any H Shares of the Company registered in the name of HKSCC Nominees Limited, other nominees and trustees, or other organizations and institutions, shall be deemed as shares held by non-resident enterprise shareholders).

According to "Notice on Issues Concerning the Collection and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045" (Guo Shui Han [2011] No. 348) issued by the State Administration of Taxation, the Company shall withhold and pay individual income tax for dividend payable to individual H shareholders. Individual H shareholders are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements between the countries where they are residents and China or the tax arrangements between mainland China and Hong Kong (Macao). If the individual H shareholders are Hong Kong or Macao residents or residents of the countries having an agreed dividend tax rate of 10% with China, the Company shall withhold and pay the individual income tax at a rate of 10%. Should the individual H shareholders be residents of the countries having an agreed dividend tax rate of less than 10% with China, the Company would apply for entitlement of the relevant agreed preferential tax treatment on their behalf in accordance with the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of Treaty Benefits (SAT Announcement 2019 No. 35) 《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號)) of the State Administration of Taxation. Should the individual H shareholders be residents of the countries having an agreed dividend tax rate exceeding 10% but lower than 20% with China, the Company shall withhold and pay the individual income tax at the actual agreed rate. In the cases of individual H shareholders who are residents of countries having not entered into any tax agreement with China or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

According to the requirements of the Notice of MOF, SAT and CSRC on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for the dividends received by investors (including enterprises and individuals) in the Hong Kong market from investing in A shares listed on the SSE, the listed companies shall withhold tax at the rate of 10%, and the listed companies shall report to their competent tax authorities for withholding tax. For investors in the Hong Kong market who are tax residents of other countries and whose countries of domicile have signed tax treaties with China stipulating that the tax rate for dividends is less than 10%, enterprises or individuals may apply to the competent tax authorities of the listed companies to enjoy the tax treaty treatment, either by themselves or by appointing withholding and payment agents. After the review by the competent tax authorities, the difference between the tax levied and the tax payable calculated according to the agreed tax rate shall be refunded. For dividends received by domestic individual investors and domestic securities investment funds investing in H shares listed on the Stock Exchange through the Shanghai-Hong Kong Stock Connect, the H-share companies shall withhold personal income tax at the rate of 20% but no tax will be withheld on dividends of domestic corporate investors who shall report to the tax authorities and pay the tax payable themselves. According to the requirements of the Notice of MOF, SAT and CSRC on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for the dividends received by domestic individual investors and domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange via the Shenzhen-Hong Kong Stock Connect, the H-share companies shall withhold personal income tax at the rate of 20% but no tax will be withheld on dividends of domestic corporate investors who shall report to the tax authorities and pay the tax payable themselves.

Under current practice of the Hong Kong Inland Revenue Department, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Shareholders of the Company are subject to tax and/or enjoy tax relief in accordance with the aforementioned regulations.

VI. Connected Transactions

(I) Non-exempt one-off connected transactions

1. Transfer of 49% Equity Interest in Jinpu Industrial Park Held by Tianjin Equipment to CRRC Science and Technology Park

On 29 April 2024, Tianjin CRRC Equipment Co., Ltd.* (天津中車機輛裝備有限公司) (“**Tianjin Equipment**”, a wholly-owned subsidiary of the Company) entered into an equity transfer contract with CRRC Science and Technology Park Development Co., Ltd.* (中車科技園發展有限公司) (“**CRRC Science and Technology Park**”), pursuant to which Tianjin Equipment agreed to sell and CRRC Science and Technology Park agreed to acquire 49% equity interest in Tianjin CRRC Jinpu Industrial Park Management Co., Ltd.* (天津中車津浦產業園管理有限公司) (“**Jinpu Industrial Park**”) at a consideration of RMB302.1551 million. Upon completion of the transaction, Tianjin Equipment would no longer hold any equity interest in Jinpu Industrial Park, and Jinpu Industrial Park would become a wholly-owned subsidiary of CRRC Science and Technology Park.

The transaction will help Tianjin Equipment further consolidate the working achievements of “Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties” and accelerate the revitalization and utilization of inefficient real estate resources, so as to improve its asset structure and cash flow and speed up the process of its transformation and upgrade. It will also help the Company to activate its idle assets and improve operation efficiency.

As at 29 April 2024, CRRC Science and Technology Park was a wholly-owned subsidiary of CRRC GROUP, and CRRC GROUP was the controlling shareholder holding 51.45% of the shares of the Company, and CRRC Science and Technology Park was therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the entering into of the equity transfer contract constituted a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) of the transaction contemplated under the equity transfer contract exceeds 0.1% but is less than 5%, the transaction under the equity transfer contract shall be subject to the relevant reporting and announcement requirements but is exempt from the independent shareholders’ approval requirement under Chapter 14A of the Hong Kong Listing Rules.

For details of the above transaction, please refer to the connected transaction announcement dated 29 April 2024 published by the Company on the website of the Stock Exchange.

2. Acquisition of Approximately 2.59% Equity Interest in Foreign Trade Financial & Leasing

On 30 October 2024, the Company and CRRC GROUP entered into an equity transfer contract, pursuant to which CRRC GROUP agreed to sell and the Company agreed to acquire approximately 2.59% equity interest in China National Foreign Trade Financial & Leasing Co., Ltd. (中國外貿金融租賃有限公司) (“**Foreign Trade Financial & Leasing**”) at a consideration of RMB371,594,775.89. Upon completion of the transaction, the Company would hold approximately 25.89% equity interest in Foreign Trade Financial & Leasing and Foreign Trade Financial & Leasing would not become a subsidiary of the Company.

The equity transfer is conducive to the continuous optimization and integration between Foreign Trade Financial & Leasing and CRRC Financial Leasing Co., Ltd., which facilitates the consolidation and deepening of the professional integration achievements of the two financial leasing companies, and further optimizing the management structure and the enhancement of the core competitiveness of the Company. The transaction is in line with the development strategy of the Company and will have a positive impact on the development of the Company. The transaction will not have a material impact on the Company’s normal operations and financial position and will not be detrimental to the interests of the Company and its shareholders.

As at 30 October 2024, CRRC GROUP was the controlling Shareholder holding 51.45% of the shares of the Company, and CRRC GROUP was therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the equity transfer constituted a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Hong Kong Listing Rules, as the transactions contemplated under the equity transfer contract and the previous merger (for details, please refer to the connected transaction announcement dated 27 October 2023 published by the Company on the website of the Stock Exchange) were entered into or completed with CRRC GROUP, a connected person of the Company, and both involved the acquisition of equity interest in Foreign Trade Financial & Leasing, the transaction contemplated under the equity transfer contract and the previous merger are required to be aggregated in calculating the relevant percentage ratios for the purpose of determining the classification of the transaction contemplated under the equity transfer contract.

As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of the transaction contemplated under the equity transfer contract, when aggregated with the previous merger, exceeds 0.1% but is less than 5%, the transaction is subject to reporting and announcement requirements but is exempt from the independent shareholders’ approval requirement under Chapter 14A of the Hong Kong Listing Rules.

For details of the above transaction, please refer to the connected transaction announcement dated 30 October 2024 published by the Company on the website of the Stock Exchange.

3. Purchase of Custom Property, Purchase of Commercial Properties and Acquisition of Right to Use Parking Spaces

On 6 December 2024, CRRC Sifang Institute (a wholly-owned subsidiary of the Company) and CRRC Qingdao Technology Park Co., Ltd. (中車科技園(青島)有限公司) (“CRRC Qingdao Technology Park”) entered into a custom property purchase agreement, pursuant to which CRRC Qingdao Technology Park agreed to sell and CRRC Sifang Institute agreed to purchase a custom property at the consideration of RMB711,970,015, which will be fully paid with CRRC Sifang Institute’s self-owned funds.

On 6 December 2024, CRRC Sifang (a non-wholly-owned subsidiary of the Company) and CRRC Qingdao Technology Park entered into commercial property sale and purchase contracts, pursuant to which CRRC Qingdao Technology Park agreed to sell and CRRC Sifang agreed to purchase commercial properties at the consideration of RMB147,803,455, which will be fully paid with CRRC Sifang’s self-owned funds.

On 6 December 2024, CRRC Sifang and CRRC Qingdao Technology Park entered into a contract for transfer of right to use parking spaces, pursuant to which CRRC Qingdao Technology Park agreed to transfer and CRRC Sifang agreed to acquire the right to use the parking spaces at the consideration of RMB8,500,000, which will be fully paid with CRRC Sifang’s self-owned funds.

The entering into of the custom property purchase agreement, the entering into of the commercial property sale and purchase contracts and the entering into of the contract for transfer of the right to use parking spaces are intended to implement the integrated innovation research and development center project and the research and development center project of CRRC Sifang Smart Port, in order to assist the Company in the construction of sources of original technologies and to satisfy the need for offices for research and development of CRRC Sifang Institute and CRRC Sifang (both of which are subsidiaries of the Company), which are in line with the development strategies of the Company and will have a positive impact on the development of the Company. The entering into of the custom property purchase agreement, the entering into of the commercial property sale and purchase contracts and the entering into of the contract for transfer of the right to use parking spaces will not have any material impact on the normal operations and financial position of the Company, and will not be detrimental to the interests of the Company and the shareholders.

As at 6 December 2024, CRRC Qingdao Technology Park was a wholly-owned subsidiary of CRRC GROUP. CRRC GROUP was the controlling Shareholder of the Company holding 51.45% of its shares, and CRRC Qingdao Technology Park was therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the entering into of the custom property purchase agreement, the entering into of the commercial property sale and purchase contracts and the entering into of the contract for transfer of the right to use parking spaces constituted connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the transactions contemplated under the custom property purchase agreement, the commercial property sale and purchase contracts and the contract for transfer of the right to use parking spaces constitute a series of transactions conducted within 12 months, the transactions shall be aggregated in accordance with Rule 14A.81 of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of the transactions contemplated under the custom property purchase agreement, the commercial property sale and purchase contracts and the contract for transfer of the right to use parking spaces (after aggregation) exceeds 0.1% but is less than 5%, the transactions are subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

For details of the transactions, please refer to the connected transaction announcement dated 6 December 2024 published by the Company on the website of the Stock Exchange.

(II) Non-exempt continuing connected transactions

1. Provision of the performance guarantee

On 18 July 2021, as considered and passed at the 30th meeting of the second session of Board of the Company, CRRC Zhuzhou (a wholly-owned subsidiary of the Company) and CRRC Zhuzhou Electric Locomotive Industrial Management Co., Ltd. (a wholly-owned subsidiary of CRRC GROUP) ("Zhuzhou Locomotive Industrial") entered into the "Agreement between CRRC Zhuzhou Electric Locomotive Industrial Management Co., Ltd. and CRRC Zhuzhou Locomotive Co., Ltd. in relation to the entrustment of 100% equity interest in CRRC ZELC SA PTY LTD. (南非中車株機有限公司)" (the "Equity Entrustment Agreement") and a series of related agreements to entrust Zhuzhou Locomotive Industrial in respect of the management of the 100% equity interest in CRRC ZELC SA PTY LTD. (a holding subsidiary of CRRC Zhuzhou) (the

“Target Company”, together with its subsidiaries, the “Target Group”) and entrust Zhuzhou Locomotive Industrial to exercise all shareholders’ rights from the date of the entering into of the Equity Entrustment Agreement. Based on the Equity Entrustment Agreement, during the entrustment period, all the operating income or operating losses of the Target Company shall be enjoyed or borne by Zhuzhou Locomotive Industrial, and the rewards and risks of changes in the overall value of the subject equity interest shall also be enjoyed or borne by Zhuzhou Locomotive Industrial. CRRC Zhuzhou shall relinquish all shareholders’ rights from the date of the Equity Entrustment Agreement and the Target Company shall no longer be consolidated into the financial statements of the Group as a subsidiary of CRRC Zhuzhou. Prior to the entrustment, CRRC Zhuzhou provided performance guarantee in respect of the performance obligations under the locomotive supply contract for the Target Group. After completion of the entrustment, CRRC Zhuzhou will continue to provide performance guarantee for the Target Group, and at the same time, CRRC GROUP will provide counter guarantee for any form of guarantee or potential guarantee obligations of CRRC Zhuzhou to the Target Group, including but not limited to guarantee agreements and project performance guarantees, etc. CRRC GROUP will provide full guarantee for CRRC Zhuzhou by way of counter guarantee. CRRC GROUP and CRRC Zhuzhou have signed the counter guarantee agreement. On 18 July 2021, the total outstanding amount of the performance guarantees provided by CRRC Zhuzhou for the Target Group shall be no more than ZAR4.378 billion. As at 31 December 2024, the outstanding balance of the performance guarantees provided by CRRC Zhuzhou for the Target Group amounted to ZAR2.886 billion (equivalent to approximately RMB1.109 billion calculated by the exchange rate as at 31 December 2024).

Upon the effective date of the Equity Entrustment Agreement, the Target Company will become a subsidiary of CRRC GROUP. Therefore, the Target Company will become a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. The provision of the performance guarantee by CRRC Zhuzhou to the Target Group constitutes the financial assistance provided by the Company to its connected person, therefore, the guarantees and the transactions thereunder will become continuing connected transactions of the Company. Pursuant to Rule 14A.60 of the Hong Kong Listing Rules, the continuing connected transactions of the Company under the guarantees are subject to the annual review and disclosure requirements including publishing an announcement and annual reporting under Chapter 14A of the Hong Kong Listing Rules. When renewing or revising the terms of the guarantees, the Company shall comply with all the requirements for connected transactions under Chapter 14A of the Hong Kong Listing Rules.

The provision of the counter guarantee by CRRC GROUP to CRRC Zhuzhou under the counter guarantee agreement constitutes the financial assistance provided by a connected person of the Company. As the counter guarantee will be provided on normal commercial terms and will not be secured by the Group's assets, pursuant to Rule 14A.90 of the Hong Kong Listing Rules, the counter guarantee is fully exempt from the reporting, annual review, announcement and independent shareholder's approval requirements under Chapter 14A of the Hong Kong Listing Rules.

For details of the above transaction, please refer to the connected transaction announcement dated 18 July 2021 published by the Company on the website of the Stock Exchange.

2. The Product and Service Mutual Provision Framework Agreement entered into between the Company and CRRCG

The Company and CRRCG entered into the Product and Service Mutual Provision Framework Agreement on 30 March 2021, pursuant to which CRRCG and/or its associates will sell raw materials, accessories, components, equipment, packing materials and other products, and provide repairing, installing, training, processing, greening, security, sanitation, project contracting, project operation and business consulting services to the Group. The Group will sell raw materials, accessories, components, equipment, packing materials, vehicles, energy resource and other products, and provide repairing, installing, training, processing, greening, security, sanitation, project contracting, project operation and business consulting services to CRRCG and/or its associates. The agreement has an effective term from 1 January 2022 to 31 December 2024. Given that the agreement has expired on 31 December 2024, in order to better regulate the continuing connected transactions, on 28 March 2024, the Company entered into a the New Product and Service Mutual Provision Framework Agreement and CRRCG, for an effective term from 1 January 2025 to 31 December 2027.

Under the Product and Service Mutual Provision Framework Agreement: (i) the annual caps for the amounts paid by CRRCG and/or its associates for provision of products and services by the Group for each of the three years ended 31 December 2024 amounted to RMB8,000 million, RMB8,000 million and RMB8,000 million, respectively; and (ii) the annual caps for the amounts paid by the Group for provision of products and services by CRRCG and/or its associates for each of the three years ended 31 December 2024 amounted to RMB4,000 million, RMB4,000 million and RMB4,000 million, respectively.

The Company considers that it is in the interest of the Group to enter into the aforesaid transactions with CRRCG to ensure the stable provision and supply of the products and services of the Company. CRRCG is familiar with the business needs of the Company and the transactions between the parties and will therefore facilitate the internal development of the Group and minimize the associated administrative and transportation costs.

CRRCG is the controlling shareholder of the Company and is thus a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the Product and Service Mutual Provision Framework Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. Since the highest applicable size test percentage ratio exceeds 0.1% but is less than 5% in respect of the relevant continuing connected transactions under the Product and Service Mutual Provision Framework Agreement, such transactions are therefore subject to annual reporting and announcement requirements but are exempt from the independent shareholders' approval requirement of the Hong Kong Listing Rules.

For details of the above non-exempt continuing connected transaction, please refer to the continuing connected transaction announcements dated 30 March 2021 and 28 March 2024 published by the Company on the website of the Stock Exchange.

3. The Property Leasing Framework Agreement entered into between the Company and CRRCG

The Company and CRRCG entered into the Property Leasing Framework Agreement on 30 March 2021, pursuant to which CRRCG and/or its associates lease their lawfully owned properties to the Group and the Group leases its lawfully owned properties to CRRCG and/or its associates. The agreement has an effective term from 1 January 2022 to 31 December 2024. Given that the agreement has expired on 31 December 2024, in order to better regulate the continuing connected transactions, on 28 March 2024, the Company and CRRCG entered into the New Fixed Asset and Property Leasing Framework Agreement, for an effective term from 1 January 2025 to 31 December 2027.

Under the Property Leasing Framework Agreement, (i) the annual caps for the expense transactions by the Group for leasing of properties from CRRCG and/or its associates for each of the three years ended 31 December 2024 amounted to RMB800 million, RMB1,000 million and RMB1,500 million, respectively; and (ii) the annual caps for the revenue transactions of CRRCG and/or its associates for leasing of properties from the Group for each of the three years ended 31 December 2024 amounted to RMB200 million, RMB200 million and RMB200 million, respectively.

As the properties leased between the Group and CRRCG are complementary in terms of geographical location, the Company considers that it is in the interest of the Group to enter into the aforesaid transactions with CRRCG to ensure the stable provision and usage of the property leasing business of the Company. In addition, CRRCG is familiar with the business needs of the Company and the transactions between the parties and will therefore minimize the administrative costs of the Group.

CRRCG is the controlling shareholder of the Company and is thus a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the Property Leasing Framework Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. Since the highest applicable size test percentage ratio exceeds 0.1% but is less than 5% in respect of the relevant continuing connected transactions under the Property Leasing Framework Agreement, such transactions are therefore subject to annual reporting and announcement requirements but are exempt from the independent shareholders' approval requirement of the Hong Kong Listing Rules.

For details of the above non-exempt continuing connected transaction, please refer to the continuing connected transaction announcements dated 30 March 2021 and 28 March 2024 published by the Company on the website of the Stock Exchange.

4. The Financial Services Framework Agreement entered into between Finance Company and CRRCG

Finance Company and CRRCG entered into the Financial Services Framework Agreement on 30 March 2021, pursuant to which Finance Company will provide deposit services, credit services and miscellaneous financial services to CRRCG. The agreement has an effective term from 1 January 2022 to 31 December 2024. Given that the agreement has expired on 31 December 2024, in order to better regulate the continuing connected transactions, on 28 March 2024, the Company and CRRCG entered into the New Financial Services Framework Agreement, for an effective term from 1 January 2025 to 31 December 2027.

Under the Financial Services Framework Agreement: (i) the maximum daily balance of credit (including accrued interests) in respect of the provision of credit services by Finance Company to CRRCG and/or its associates for each of the three years ended 31 December 2024 amounted to RMB15 billion, RMB16 billion and RMB17 billion, respectively; and (ii) the annual caps for the amounts received by Finance Company for provision of miscellaneous financial services to CRRCG and/or its associates for each of the three years ended 31 December 2024 amounted to RMB22 million, RMB23 million and RMB24 million, respectively.

Finance Company is a non-bank financial institution of the Group under the supervision of the relevant regulatory authorities and has a well-functioning internal control and risk management system. Finance Company is also familiar with the operations of CRRCG, which is advantageous for Finance Company in providing CRRCG with custom-made and efficient financial services. The entering into of the Financial Services Framework Agreement is also beneficial for Finance Company to expand its financing channels, enhance its efficiency of fund usage and reduce its financing cost. Furthermore, the interest rates for credit services under the Financial Services Framework Agreement are set pursuant to the normal commercial terms and in the interests of the Company and the shareholders. CRRCG is a large state-owned enterprise under the direct management of the SASAC and holds a sound reputation in the financial market. Taking into account the creditworthiness of CRRCG, and on the condition of strict risk control of Finance Company, the Company considers that providing credit services to CRRCG through Finance Company is a low-risk fund investment option and will generate a considerable return for the Group.

CRRCG is the controlling shareholder of the Company and is thus a connected person of the Company under the Hong Kong Listing Rules. Finance Company is a subsidiary of the Company. Accordingly, the Financial Services Framework Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The placing of deposits by CRRCG with Finance Company constitutes a financial assistance provided by the connected person to the Company. As the placing of deposits by CRRCG with Finance Company and the deposit services provided by Finance Company to CRRCG are on normal commercial terms which are no less favorable than those offered by major commercial banks for the provision of comparable services in the PRC and are for the benefit of the Group, and no security over the assets of the Group is or will be granted in respect of placing of deposits and the provision of such deposit services, the placing of deposits by CRRCG with Finance Company and the deposit services to be provided by Finance Company to CRRCG under the Financial Services Framework Agreement are exempt from the independent shareholders' approval, annual reporting and announcement requirements pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

The provision of loans and other credit services by Finance Company to CRRCG constitutes a financial assistance provided by the Company to its connected person, and therefore constitutes a connected transaction. As the highest applicable percentage ratio in respect of the provision of credit services under the Financial Services Framework Agreement exceeds 5% on an annual basis, the credit services to be provided by Finance Company to CRRCG are therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio in respect of the provision of credit services under the Financial Services Framework Agreement exceeds 5% but is less than 25%, the credit services to be provided by Finance Company to CRRCG also constitutes a disclosable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio exceeds 0.1% but is less than 5% in respect of the provision of miscellaneous financial services under the Financial Services Framework Agreement, the miscellaneous financial services to be provided by Finance Company to CRRCG are therefore subject to the annual reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

For details of the above non-exempt continuing connected transaction, please refer to the continuing connected transaction announcements dated 30 March 2021 and 28 March 2024 and the circulars dated 18 May 2021 and 23 May 2024 published by the Company on the website of the Stock Exchange.

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5. Actual transaction amounts of non-exempt continuing connected transactions during the year

The Company confirms that the actual transaction amounts of the following non-exempt continuing connected transactions did not exceed the relevant caps in 2024. Please refer to the table below for details.

Currency: RMB Unit: million

No.	Category of connected transactions	Annual cap for 2024	Actual transaction amount for 2024
1.	Purchase of products and services by the Group under the Product and Service Mutual Provision Framework Agreement with CRRCG and/or its associates	4,000.00	861.41
2.	Sale of products and provision of services by the Group under the Product and Service Mutual Provision Framework Agreement with CRRCG and/or its associates	8,000.00	1,837.29
3.	Expense transactions by the Group under the Property Leasing Framework Agreement with CRRCG and/or its associates	1,500.00	164.90
4.	Revenue transactions by the Group under the Property Leasing Framework Agreement with CRRCG and/or its associates	200.00	2.22
5.	Maximum daily balance of credit (accrued interest included) in respect of the credit services provided by Finance Company under the Financial Services Framework Agreement between Finance Company and CRRCG and/or its associates	17,000.00	2,020.12
6.	Charges for miscellaneous financial services provided by Finance Company under the Financial Services Framework Agreement between Finance Company and CRRCG and/or its associates	24.00	0

(III) Annual review of non-exempt continuing connected transactions

The finance and internal auditing units and relevant teams of the Company have reviewed the above non-exempt continuing connected transactions and related internal control procedures and submitted the results to the independent non-executive Directors. The Company also provided key information to the independent non-executive Directors for their review.

The independent non-executive Directors of the Company have confirmed to the Board that they have reviewed the above non-exempt continuing connected transactions and are of the opinion that such transactions are:

- (1) in the ordinary course of business of the Group;
- (2) conducted on normal commercial terms or more favorable terms; and
- (3) conducted on the terms of the relevant transaction agreements (including but not limited to the pricing policy and mechanism), which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The independent non-executive Directors ensure that:

- (1) the methods and procedures established by the Company are sufficient to ensure that transactions are conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders; and
- (2) the Company has appropriate internal control procedures in place and its internal auditing unit will review the above continuing connected transactions.

Pursuant to Rule 14A.56 of the Hong Kong Listing Rules, the listed issuer must engage its auditors to report on the continuing connected transaction every year. The auditors must provide a letter to the listed issuer's board of directors confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:

- (1) have not been approved by the listed issuer's board of directors;
- (2) were not, in all material respects, in accordance with the pricing policies of the listed issuer's group if the transactions involve the provision of goods or services by the listed issuer's group;

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- (3) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (4) have exceeded the cap.

Pursuant to the above requirements under Rule 14A.56 of the Hong Kong Listing Rules, the Board engaged the auditors of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Hong Kong Listing Rules.

(IV) Related party transactions

In addition, details of the related party transactions of the Company for the year ended 31 December 2024 are set out in Note 14 to the consolidated financial statements. Except for the related party transactions between the Company and joint ventures and associates set out in Note 14, all related party transactions are connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. The Company confirms that such related party transactions have complied with the applicable disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

(V) Non-competition agreements and undertakings

For details of the provision of non-competition agreements and undertakings to the Company by the controlling shareholder of the Company, please refer to relevant content in the section named "Significant Events - I. Performance of Undertakings" of this annual report.

VII. Other Discloseable Matters

(I) Principal businesses

The Group and the Company are mainly engaged in research and development, design, manufacturing, refurbishment, sales, leasing and technical services of railway locomotives, MUs, urban rail transit vehicles, engineering machinery, various electromechanical equipment, electronic equipment and parts, electric products and environmental protection equipment; information consultancy; industrial investment and management; asset management; export/import business.

(II) Major customers and suppliers

For details of the major customers and suppliers of the Company, please refer to the section headed "Report of Directors – B. Management Discussion and Analysis – II. Major operation results during the reporting period" of this annual report.

(III) Reserves

Details of changes in the reserves of the Company are set out in the Consolidated Statement of Changes in Equity of this annual report prepared under the China Accounting Standards for Business Enterprises.

(IV) Reserves available for distribution to shareholders

As at 31 December 2024, the reserves of the Company available for distribution to shareholders amounted to RMB7,289,186,000.

(V) Share capital

For details of the share capital of the Company, please refer to the relevant section headed "Changes in Shares and Particulars of Shareholders" of this annual report.

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(VI) Bank loans and other loans

Details of the bank loans and other loans of the Company as at 31 December 2024 are set out in Notes 28 and 39 to the financial statements of this annual report prepared under the China Accounting Standards for Business Enterprises.

(VII) Property, plant and equipment

Details of changes in the property, plant and equipment of the Company in 2024 are set out in Note 19 to the financial statements of this annual report prepared under the China Accounting Standards for Business Enterprises.

(VIII) Donations

The total charitable and other donations of the Company amounted to approximately RMB2,013,000 during the reporting period.

(IX) Service contracts of Directors and Supervisors

None of the Directors or Supervisors entered into a service contract with the Company which is not terminable within one year without payment of compensation other than normal statutory compensation.

(X) Interests in transactions, arrangements or contracts of the Directors, Supervisors or entities related to the Directors and Supervisors

The Company did not enter into any transaction, arrangement or contract of significance in which Director(s) or Supervisor(s) of the Company or entities related to the Directors and Supervisors held, either directly or indirectly, any material interests for the year ended 31 December 2024.

(XI) Loans provided to Directors, Supervisors and Senior Management of the Company

The Company did not provide Director(s), Supervisor(s) or other Senior Management with any loans or quasi-loans.

(XII) Directors' interest in businesses competing with the Company

None of the Directors have interests in any business which directly or indirectly competes or may compete with the Company.

(XIII) Financial, business or family relationship among members of the Board

None of the members of the Board of the Company had any financial, business, family or other material relationship with each other.

(XIV) Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

(XV) Pre-emptive rights

There are no provisions regarding pre-emptive rights under the Articles of Association and the PRC laws which oblige the Company to offer new shares to its existing shareholders on a pro-rata basis.

(XVI) Employee retirement plan

Details of the employee retirement plan of the Company are set out in Note VII.34. to the financial statements of this annual report prepared under the China Accounting Standards for Business Enterprises.

(XVII) The Company's environmental policies and compliance

The main wastewater pollutants of CRRC are COD and ammonia, the main waste gas pollutant is sulphur dioxide, nitrogen oxides and VOCs, and the hazardous wastes are mainly HW08, HW09, HW12 and HW49. Wastewater was discharged directly and indirectly upon treatment and reaching standards. The Company recorded COD emissions of 347.87 tons and ammonia emissions of 34.23 tons in 2024. Waste gas pollutants were discharged in an organized way after the treatment reaching the standard. The Company recorded sulphur dioxide emissions of 77.31 tons, nitrogen oxide emissions of 215.71 tons and VOCs emissions of 3,071.12 tons in 2024. The Company recorded hazardous waste generation of 27,475.20 tons in 2024, which were disposed by qualified institutions. Main pollutant emissions reached the national or local emission standards. The total discharge of pollutants met the requirements of the total discharge indicators.

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The pollution discharge information of the Company's important subsidiaries is as follows:

Name of company	Name of pollutants	Main typical pollutants	Emission concentration	Pollutant emission standards in effect		Excessive emission	Emission method	Number of emission outlets	Distribution of emission outlets		
CRRC Changchun	Wastewater	COD	25.89mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	500mg/L	No	Continuous and indirect emissions	2	In the plant area		
		Ammonia nitrogen	7.54mg/L	Water quality standards for sewage discharged into urban sewers (GB/T31962-2015)	45mg/L	No					
	Gas boiler exhaust	Particulates	7.57mg/m ³	Boiler Air Pollutant Emission Standard (GB13271-2014)	20mg/m ³	No	Organized emission	11	In the plant area		
		SO ₂	3.12mg/m ³		50mg/m ³	No					
		NO _x	63.6mg/m ³		150mg/m ³	No					
	Process waste gas	Coating VOCs	3.8mg/m ³	Integrated Air Pollutant Emission Standard (GB16297-1996)	120mg/m ³	No	Organized emission	213	In the plant area		
		Particulates	19.61mg/m ³		120mg/m ³	No					
	Noise	Noise from the boundary of the eastern plant	Daytime	52dB(A)	Emission Standard for Environmental Noise at Plant Boundaries of Industrial Enterprises (GB 12348-2008)	Daytime	65dB(A)	No	/	/	/
			Nighttime	44dB(A)		Nighttime	55dB(A)				
		Noise from the boundary of the southern plant	Daytime	52dB(A)		No	/	/	/		
Nighttime			44dB(A)								
Noise from the boundary of the western plant	Daytime	51dB(A)	No	/	/	/					
	Nighttime	43dB(A)									
Noise from the boundary of the northern plant	Daytime	51dB(A)	No	/	/	/					
	Nighttime	44dB(A)									

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Name of company	Name of pollutants	Main typical pollutants	Emission concentration	Pollutant emission standards in effect		Excessive emission	Emission method	Number of emission outlets	Distribution of emission outlets
CRRC Sifang	Wastewater	COD	11.4mg/L	Integrated Wastewater Discharge Standard (GB 8978-1996)	500mg/L	No	Discontinuous and indirect emissions	1	In the plant area
		Ammonia nitrogen	0.621mg/L	Water quality standards for sewage discharged into urban sewers (GB/T31962-2015)	45mg/L	No			
	Gas exhaust	Particulates	1.42mg/m ³	Comprehensive Emission Standard of Regional Air Pollutants (DB37/2376-2019)	10mg/m ³	No	Organized emission	62	In the plant area
		SO ₂	2.36mg/m ³		50mg/m ³	No			
		NO _x	33.96mg/m ³		100mg/m ³	No			
	Process waste gas	Coating VOCs	2.573mg/m ³	Volatile Organic Compound Emission Standard Part 5 Surface Coating Industry (DB37/2801.5-2018)	70mg/m ³	No	Organized emission	303	In the plant area
		Particulates	2.178mg/m ³	Comprehensive Emission Standard of Regional Air Pollutants (DB37/2376-2019)	10mg/m ³	No			
	Noise	Noise from the boundary of the eastern plant	Daytime 59dB(A) Nighttime 51dB(A)	Emission Standard for Environmental Noise at Plant Boundaries of Industrial Enterprises (GB 12348-2008)	Daytime 70dB(A) Nighttime 55dB(A)	No	/	/	/
		Noise from the boundary of the southern plant	Daytime 57dB(A) Nighttime 45dB(A)		Daytime 65dB(A) Nighttime 55dB(A)	No	/	/	/
		Noise from the boundary of the western plant	Daytime 57dB(A) Nighttime 46dB(A)		Daytime 65dB(A) Nighttime 55dB(A)	No	/	/	/
Noise from the boundary of the northern plant		Daytime 61dB(A) Nighttime 51dB(A)	Daytime 70dB(A) Nighttime 55dB(A)		No	/	/	/	

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Name of company	Name of pollutants	Main typical pollutants	Emission concentration	Pollutant emission standards in effect		Excessive emission	Emission method	Number of emission outlets	Distribution of emission outlets	
CRRC Zhuzhou	Industrial wastewater	COD	25.7mg/L	Integrated Wastewater Discharge Standard (GB8978-1996)	500mg/L	No	Discontinuous and indirect emissions	1	In the plant area	
		Ammonia nitrogen	2.23mg/m ³		/	No				
	Gas boiler exhaust	Particulates	SO ₂	3.9mg/m ³	Boiler Air Pollutant Emission Standard (GB13271-2014)	20mg/m ³	No	Organized emission	3	In the plant area
			NO _x	4mg/m ³		50mg/m ³	No			
			CO	101mg/m ³		150mg/m ³	No			
	Process waste gas	Coating VOCs	Particulates	6.54mg/m ³	Emission standard of volatile organic compounds and nickel for surface coating (DB43/1356-2017)	80mg/m ³	No	Organized emission	167	In the plant area
			Particulates	16.23mg/m ³		Comprehensive emission standard of air pollutants (GB16297-1996)	120mg/m ³			
	Noise	Noise from the boundary of the eastern plant	Daytime	56dB(A)	Emission Standard for Environmental Noise of Plant Boundaries of Industrial Enterprises (GB 12348-2008)	Daytime 65dB(A)	No	/	/	/
			Nighttime	49dB(A)		Nighttime 55dB(A)	No	/	/	/
		Noise from the boundary of the southern plant	Daytime	55dB(A)		No	/	/	/	
Nighttime			51dB(A)	No		/	/	/		
Noise from the boundary of the western plant	Daytime	58dB(A)	No	/	/	/				
	Nighttime	51dB(A)	No	/	/	/				
Noise from the boundary of the northern plant	Daytime	55dB(A)	No	/	/	/				
	Nighttime	49dB(A)	No	/	/	/				

CRRC continued to promote the advanced environmental protection processes and technologies. Through the substitution of environmentally friendly raw materials, upgrades of processes and technologies, modernization of equipment and facilities and waste reduction, CRRC has effectively reduced the production and emission of pollutants. CRRC has sped up the use of water-based paint to reduce pollution at source, and achieved the proportion of water-based paint for railway freight trains and urban rail vehicles reaching over 90% and 75%, respectively. The pollution control facilities for wastewater, exhaust gas, etc. of its subsidiaries, operated steadily and effectively, and the pollutant emissions meet the national or local emission standards. Hazardous waste was collected separately and disposed of in accordance with the laws and regulations.

CRRC strictly implemented the environmental impact assessment system for construction projects and the “three simultaneous” system for environmental protection, fully carried out feasibility studies and technical demonstrations before the implementation of the projects, and propose measures to prevent or mitigate environmental impacts, so as to prevent and control environmental pollution and ecological damage at source and minimize environmental impact. Before the commencement of the construction of a project, approval of the environmental assessment shall be obtained in accordance with the law, and ecological and environmental protection and pollution prevention and control measures shall be strictly adopted during the implementation process and independent inspection and acceptance of the completion of the project shall be carried out in accordance with the requirements. CRRC strictly implemented the pollutant discharge permit system, and its subsidiaries strictly fulfilled the main responsibility of pollutant discharge in accordance with the law and regulated the production and operation behavior of enterprises, so as to achieve pollutant discharge with permit, pollutant discharge in accordance with the permit and pollutant discharge in compliance with the standards.

CRRC is determined to guard against the red line of ecological and environmental protection, carried out rotation training on ecological and environmental protection for all levels of enterprises and all levels and categories of personnels to enhance their environmental protection awareness, professional knowledge and management capabilities. CRRC has established a permanent warning and reporting mechanism for environmental issues, and improved the ability of contingency response to environmental risk prediction and warning. CRRC has also organized and carried out large-scale inspections covering all environmental risks, and promoted the improvement and upgrades of solutions to address enterprises’ difficulties and key issues of environmental protection. The subsidiaries of CRRC have formulated and filed their own environmental contingency plans in accordance with the requirements, and at the same time formulated special contingency plans for important environmental risks and regularly conducted contingency drills to enhance the awareness of environmental risks, improve the ability of contingency response to environmental incidents and strictly control the occurrence of sudden environmental incidents.

All subsidiaries of CRRC have formulated environmental self-monitoring programs in accordance with the requirements and carried out environmental self-monitoring and eliminated any falsification of information. They have made public the results of environmental self-monitoring in accordance with the law. Certain subsidiaries have installed online monitoring systems for wastewater and waste gas in accordance with the requirements of local governments and have linked up with environmental protection departments to realize real-time monitoring of pollutant emissions.

Companies other than those that are key emission units under CRRC disclosed information on the environmental impact assessment and acceptance of construction projects in accordance with the requirements of laws and regulations governing environmental impact assessment of construction projects, environmental acceptance of completed projects, etc. They disclosed truthfully the pollutant discharge information in accordance with the requirements of the pollutant discharge license system. They have also disclosed other relevant environmental information according to the requirements of local environmental protection departments.

CRRC continued to play a leading and exemplary role in green and low-carbon development, and enhance the “fundamentals” of green and low-carbon development, with more fruitful achievements made in green and low-carbon development. In 2024, three more factories were included in the list of national green factories; and five more enterprises were included in the list of national enterprises with green supply chain management. Four factories including CRRC ZELRI have obtained zero carbon factory certificates; and five workshops including CRRC Dalian have obtained zero carbon workshop certificates. CRRC Changchun and CRRC Tangshan won the title of “China’s Industrial Carbon Peak ‘Leader’ Enterprise 2024”. CRRC Sifang was awarded as “Excellent Practice Case of Green and Low-carbon Central Enterprise” in 2024 by SASAC. CRRC Zhuzhou was awarded “National Green and Low-carbon Typical Case” by the Ministry of Ecology and Environment.

During the reporting period, the measures taken by CRRC to reduce its carbon emissions and their effects were as follows: Firstly, it adhered to the top-level design, guided by the “6G” concept, that is, green investment, green innovation, green products, green manufacturing, green services and green enterprises, and built a systematic dual-carbon management system framework around four processes, namely product technology innovation, industrial chain and supply chain construction, production and operation management and control and product service process, to promote green and low-carbon transformation. Secondly, it benchmarked international carbon-related policies, clarified key carbon footprint control products, and promoted the implementation and reduction of carbon footprint management. Thirdly, it carried out the carbon footprint study of the whole lifecycle of new energy locomotives, and formed the carbon footprint report of new energy locomotives using DC10C pure electric, DNC10E internal electric and 1500kW power grade hydrogen fuel cell and 3 diesel locomotives. Fourthly, it was committed to the data management of the carbon intelligence cloud system, and the number of enterprises that collect data in real time increased from 78 to 81, with efficiency of energy conservation and carbon reduction improved through data empowerment. Fifthly, it continued to promote the application of rooftop photovoltaic power system. The annual use of green electricity amounted to 122 GWH, reducing carbon emissions by 70,000 tons.

(XVIII) Relationship with employees, customers and suppliers

For details, please refer to the sections headed “Report of Directors – B. Management Discussion and Analysis” and “Directors, Supervisors, Senior Management and Staff – Staff of the Parent Company and Principal Subsidiaries” of this annual report.

(XIX) Compliance with laws, regulations and rules

The Company is aware of the importance of complying with legal and regulatory requirements. The Company has established a relatively sophisticated system to ensure persistent compliance with applicable laws, regulations and rules. More specifically, the legal department of the Company and other relevant departments are primarily responsible for reviewing whether the Group’s operations have complied with the relevant laws and regulations. The Company has also deployed corresponding departments and sufficient manpower and resources to monitor the compliance situation at the subsidiary level. For the year ended 31 December 2024, to the best of our knowledge, the Company has complied with the laws and regulations of the relevant areas in all material respects, including but not limited to laws and regulations such as the Railway Law of the People’s Republic of China (《中華人民共和國鐵路法》), the Law of the People’s Republic of China on Work Safety (《中國人民共和國安全生產法》), the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》) and Regulation on the Administration of Railway Safety (《鐵路安全管理條例》), which have great significance or impact on the operation of the Company in aspects such as rail transit equipment production, safety and environmental protection. The Company is listed on the SSE and the Stock Exchange. For the year ended 31 December 2024, the Company complied with the listing rules and all applicable laws and regulations of its places of listing.

Directors, Supervisors, Senior Management and Staff

As at the latest practicable date prior to the printing of this report, members of the Board include:

Sun Yongcai
Chairman, Executive Director

Wang An
Executive Director

Shi Jianzhong
Independent non-executive Director

Weng Yiran
Independent non-executive Director

Ngai Ming Tak
Independent non-executive Director

Yi Ran
Employee Director

Directors, Supervisors, Senior Management and Staff

I. Shareholding Changes and Remuneration

(I) Shareholding changes and remuneration of current and resigned Directors, Supervisors and Senior Management during the reporting period

Name	Position	Gender	Age	Commencement of term of office	Expiration of term of office ^{Note 3}	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Changes in number of shares for the year	Reason for the change	Current	Total	Whether receiving remuneration from related parties of the Company	
										remuneration received from the Company during the reporting period (RMB'0,000)	remuneration before tax received from the Company during the reporting period Welfare expenses including basic pension insurance (RMB'0,000)		
Sun Yongcai	Executive Director, Chairman	Male	60	22 December 2021	21 December 2024	111,650	111,650	0	-	89.66	16.02	105.68	No
Wang An	Executive Director	Male	53	22 December 2021	21 December 2024	0	0	0	-	80.69	16.02	96.71	No
Shi Jianzhong	Independent non-executive Director	Male	66	22 December 2021	21 December 2024	0	0	0	-	8.00	-	8.00	No
Weng Yiran	Independent non-executive Director	Male	70	22 December 2021	21 December 2024	0	0	0	-	8.00	-	8.00	No
Ngai Ming Tak	Independent non-executive Director	Male	57	22 December 2021	21 December 2024	0	0	0	-	15.50	-	15.50	No
Yi Ran ^{Note 2}	Employee Director	Female	43	25 March 2025	21 December 2024	0	0	0	-	-	-	-	No
Zhao Hu	Employee Supervisor Chairman of the Board of Supervisors	Male	57	17 November 2021 22 December 2021	21 December 2024	0	0	0	-	91.49	16.02	107.51	No
Chen Zhenhan	Supervisor	Male	50	22 December 2021	21 December 2024	0	0	0	-	79.19	16.02	95.21	No
Zhang Shidong	Supervisor	Male	52	23 November 2023	21 December 2024	0	0	0	-	75.42	16.02	91.44	No
Yu Weiping	Vice President	Male	58	23 December 2021	21 December 2024	0	0	0	-	80.25	16.02	96.27	No
Li Zheng	Chief Financial Officer	Female	52	23 December 2021	21 December 2024	0	0	0	-	80.25	16.02	96.27	No
Lin Cunzeng	Vice President	Male	52	22 February 2024	21 December 2024	0	0	0	-	45.12	14.71	59.83	No
Wang Feng	Vice President	Male	51	22 February 2024	21 December 2024	0	0	0	-	45.12	14.71	59.83	No
Liu Ke'an	Vice President	Male	53	22 February 2024	21 December 2024	0	0	0	-	45.12	14.71	59.83	No
Wang Jian	Secretary to the Board	Male	52	23 December 2021	21 December 2024	0	0	0	-	91.38	16.02	107.40	No
Ma Yunshuang	Executive Director (resigned) President (resigned) Vice President (resigned)	Male	53	19 March 2024 22 February 2024 23 December 2021	20 March 2025 20 March 2025 22 February 2024	0	0	0	-	80.69	16.02	96.71	No No No
Jiang Renfeng	Non-executive Director (resigned)	Male	61	22 December 2021	21 December 2024	0	0	0	-	-	-	-	No
Total	/	/	/	/	/	111,650	111,650	0	-	915.88	188.31	1,104.19	/

Directors, Supervisors, Senior Management and Staff

Notes:

1. The above remunerations received by Sun Yongcai, Wang An, Ma Yunshuang (resigned), Yu Weiping and Li Zheng from the Company during the reporting period were approved by the SASAC.
2. Yi Ran received the remuneration from a subsidiary of the Company during the reporting period.
3. The term of office of the third session of the Board and the Board of Supervisors of the Company expired on 21 December 2024, and preparations for the re-election are still underway. Except for Jiang Renfeng (resigned) and Ma Yunshuang (resigned), all members of the third session of the Board and the Board of Supervisors of the Company, and the current Senior Management will continue to fulfill the corresponding obligations and duties as the Directors, Supervisors and Senior Management in accordance with laws, regulations, and the provisions of the Articles of Association before the completion of the re-election.

(II) Major work experiences of the current Directors, Supervisors and Senior Management for the recent five years

Directors

Mr. Sun Yongcai, born in 1964, a Chinese national with no right of abode overseas, is a holder of doctoral degree and is a professorate senior engineer. He serves as a delegate to the 20th National Congress of the CPC, a member of the 14th CPPCC National Committee, the Party secretary of the Party Committee, the chairman and an executive Director of the Company, and also serves as the secretary of the Party committee and the chairman of CRRCG. Mr. Sun once served as a director and deputy general manager, the Party secretary, vice chairman and deputy general manager of Dalian Railway Transportation Equipment Company Limited and the chief engineer of CNR, as well as a standing member of the Party committee of CNRG. From December 2010 to May 2015, he served as a vice president and standing member of the Party committee of CNR. He has served as a standing member of the Party committee of the Company since May 2015, a vice president of the Company from June 2015 to June 2017, an executive Director of the Company since June 2017, the president of the Company from September 2017 to August 2021, the deputy secretary of the Party committee of the Company from September 2017 to March 2021. He has served as the secretary of the Party committee of the Company since March 2021. Mr. Sun is entitled to special government allowance granted by the State Council, was awarded the First Prize for the State Scientific and Technological Progress Award (國家科學技術進步一等獎), the National Innovation Award (全國創新爭先獎) and the special prize and the first prize from China Railway Society. He has been awarded the title of "Reform Pioneer" of the 40th Anniversary of Reform and Opening Up by the Central Committee of the Communist Party of China and the State Council and awarded as the host of the research and development of "Fuxing" high-speed train in 2018, and has been awarded the title of "most beautiful struggler" of the 70th Anniversary of the Founding of the People's Republic of China by nine departments such as the Publicity Department and the Organization Department of the Communist Party of China in 2019.

Directors, Supervisors, Senior Management and Staff

Mr. Wang An, born in 1970, a Chinese national with no right of abode overseas, is a holder of doctoral degree and a senior engineer. He currently serves as a deputy secretary of the Party committee and an executive Director of the Company, as well as a deputy secretary of the Party committee and an employee representative director of CRRC GROUP. Mr. Wang used to be a deputy department director of the Office of the State Economic and Trade Commission (國家經貿委辦公廳), a deputy director of the secretary office and a researcher of the Office of the SASAC (國資委辦公廳) (the Party committee office), a Party committee secretary at the division chief level and a secretary at the deputy director general level of the SASAC. He has served as the deputy head of the First Bureau of Management of Enterprise Leaders of the SASAC (國資委企業領導人員管理一局) (during which he was appointed as the deputy secretary of the Party committee of Daqing Oilfield Limited Company (大慶油田有限公司) for one year), and a secretary of the disciplinary committee of CRRC GROUP. He has been a standing member of the Party committee of the Company since December 2018, and a secretary of the disciplinary committee of the Company from December 2018 to September 2021. He has been serving as a deputy secretary of the Party committee of the Company since September 2021, and an executive Director of the Company since December 2021.

Mr. Shi Jianzhong, born in 1957, a Chinese national with no right of abode overseas, is a holder of doctorate degree and a senior engineer (researcher level). He serves as an independent non-executive Director of the Company, an external director of China Electronics Technology Group Corporation Limited (中國電子科技集團有限公司), and a director of Aero Engine Corporation of China (中國航空發動機集團有限公司). Mr. Shi was a deputy general manager of Nanchang Hongdu Aviation Industry Group Company (南昌洪都航空工業集團公司), a deputy chief engineer of China Aviation Industry Corporation II (中國航空工業第二集團公司), a deputy general manager and a member of the Party group of China Aviation Industry Corporation II, the assistant to the governor of Guizhou Province (temporary position for one year), a deputy general manager and a member of the Party committee of Commercial Aircraft Corporation of China, Ltd. (中國商用飛機有限責任公司), and a vice chairman of China-Russia Commercial Aircraft International Co., Ltd. (中俄國際商用飛機有限責任公司). Since June 2020, he has served as an independent non-executive Director of the Company.

Mr. Weng Yiran, born in 1954, a Chinese national with no right of abode overseas, is a holder of bachelor's degree, a senior accountant (researcher level), senior auditor and certified accountant. He currently serves as an independent non-executive Director of the Company. Mr. Weng was a deputy head of the Audit Division in the Commercial Grain Trade Commission of the Audit Commission (審計署商糧外貿局經貿審計處), the head of the second division of the Audit Bureau in the Commercial Grain Trade Commission (商糧外貿審計局二處), an assistant to the commissioner of the Shanghai Resident Office (上海特派辦), an assistant to the commissioner and the office manager, a deputy head of the Department of Trade and Economic Audit (商貿審計司), a deputy head of the Industrial Transport Auditing Bureau (工業交通審計司), a deputy head of the Building Materials Auditing Bureau (建設建材審計局), the head of the Transportation Audit Office (交通運輸審計局), the head of the first division of the Economic Audit Bureau (經濟審計一局), the Party secretary and a commissioner of the Nanjing Office (南京特派辦), the chief auditor of Aviation Industry Corporation of China, Ltd. (中國航空工業集團公司), an independent nonexecutive director of China First Heavy Industries Co., Ltd. (中國第一重型機械股份公司) and an external director of China First Heavy Industries Group Co., Ltd. (中國一重集團有限公司). He has been an independent non-executive Director of the Company since December 2021.

Directors, Supervisors, Senior Management and Staff

Mr. Ngai Ming Tak, born in 1967, a Hong Kong Chinese national, is a holder of master's degree. He currently serves as an independent non-executive Director of the Company as well as the chairman of The Red Group (安德資本集團), the chairman of Asia GreenTech Fund (亞洲綠色科技基金), a member of the 12th, the 13th and the 14th CPPCC National Committee, an external director of China COSCO Shipping Corporation Limited, an independent non-executive director of China Longyuan Power Group Corporation Limited (龍源電力集團股份有限公司), an independent non-executive director of True Partner Capital Holding Limited and an independent non-executive director of Sanergy Group Limited. He was the managing director of UBS Investment Bank (瑞士銀行) and an independent non-executive director of Starlight Culture Entertainment Group Limited (星光文化娛樂集團有限公司). Mr. Ngai is also the chairman of Hong Kong Finance Association (香港金融發展協會), a Fellow Commoner of Clare Hall, University of Cambridge (英國劍橋大學克萊爾學堂院士同桌人), the head of the Council of City University of Hong Kong, a council member of Hong Kong University of Science and Technology, a court member of the Hong Kong Metropolitan University, a Honorary Fellow of the Lingnan University, and a honorary citizen of Harbin, Heilongjiang Province. He has been an independent non-executive Director of the Company since December 2021.

Ms. Yi Ran, born in 1982, a Chinese national with no right of abode overseas, is a holder of bachelor's degree, a chief technician, senior engineer, and a representative of the 20th CPC National Congress. She currently serves as an employee Director as well as the welding team leader and process quality controller at the production center of CRRC Zhuzhou Rolling Stock Co., Ltd., the vice chairwoman (concurrent post) of Hunan Federation of Trade Unions and the vice chairwoman (concurrent post) of the trade union of the Company. Ms. Yi previously served as a welder and the welding team leader in the assembly workshop of CSR Zhuzhou Rolling Stock Factory, the welding team leader in the assembly workshop of Zhuzhou Branch of CSR Yangtze Company, the welding team leader in the assembly workshop of CRRC Zhuzhou Rolling Stock Co., Ltd., and the welding team leader and process quality controller at the second manufacturing division of CRRC Zhuzhou Rolling Stock Co., Ltd. She has served as the employee Director of the Company since March 2025.

Directors, Supervisors, Senior Management and Staff

Supervisors

Mr. Zhao Hu, born in 1967, a Chinese national with no right of abode overseas, is a holder of bachelor's degree, MBA degree and a senior political officer. He is currently the employee representative Supervisor, the chairman of the Board of Supervisors and the chairman of the labor union of the Company. He also serves as the chairman of the labor union of CRRCG. Mr. Zhao once served as the deputy director of general office (office of the Party committee) of CNRG and the director of the board office and the deputy director of office of the Party committee of CNR. He was originally the deputy secretary of the Party committee as well as secretary to the disciplinary committee, and then served as the director, deputy secretary of the Party committee, secretary to the disciplinary committee as well as the chairman of the labor union of Tangshan Railway Vehicle Co., Ltd., the director of general office (office of the Party committee) of CNRG and CNR, the chief economist assistant of CNR. From June 2015 to May 2020, he successively served as the deputy chief economist and the director of the president's office of the Company, the director of office of the Party committee and the head of the organization department of the Party committee of the Company and CRRCG. He has served as the employee representative Supervisor and the chairman of the labor union since October 2019. He has served as the chairman of the Board of Supervisors since December 2019.

Mr. Chen Zhenhan, born in 1974, a Chinese national with no right of abode overseas, is a holder of bachelor's degree and a master's degree. He is a professorate senior accountant and is currently the Supervisor, the head of the Audit Risk Department of the Company. Mr. Chen was the deputy director of the audit second division of the audit department, the deputy director and director of the audit division of the audit and risk department of CSR, the deputy director of the audit and risk department and director of the internal control division of CRRC, and the vice general manager and chief financial officer of CRRC Environmental & Technology Co., Ltd. From October 2018 to May 2020, he served as the head of the audit and risk department of the Company. He has been serving as the Supervisor since June 2019, the director of the Audit Risk and Legal Center of the Company from May 2020 to November 2022, the department head of the Audit Risk and Legal Compliance Department of the Company from November 2022 to July 2023, and the head of the Audit Risk Department of the Company since July 2023.

Mr. Zhang Shidong, born in 1972, a Chinese national with no right of abode overseas, is a holder of bachelor's degree, and an economist. He serves as a Supervisor and the head of the Legal Compliance Department of the Company. Mr. Zhang used to serve as the senior manager of the legal and audit department of China Science and Technology Securities Co., Ltd. (中國科技證券有限責任公司), the deputy general counsel and the deputy general manager of the business development department of China Aerospace Science and Industry Finance Co., Ltd. (航天科工財務有限責任公司), and the chief risk officer and the head of risk management department of CSR Finance Co., Ltd. (南車財務有限公司). From October 2015 to December 2021, he served as the deputy general manager of CRRC Finance Co., Ltd. (中車財務有限公司). From December 2021 to November 2022, he served as the deputy head of the Audit Risk and Legal Center of the Company. From November 2022 to July 2023, he served as the deputy head of the Audit and Legal Compliance Department of the Company. He has been serving as the head of Legal Compliance Department of the Company since July 2023 and a Supervisor of the Company since November 2023.

Directors, Supervisors, Senior Management and Staff

Senior Management

Mr. Yu Weiping, born in 1966, a Chinese national with no right of abode overseas, is a holder of doctoral degree and a professorate senior engineer. He serves as a vice president of the Company. Mr. Yu once served as a deputy general manager of Changchun Railway Vehicle Co., Ltd., and the chairman and the Party secretary, the chairman and general manager and deputy Party secretary, the chairman and deputy Party secretary of Tangshan Railway Vehicle Co., Ltd., as well as a standing member of the Party committee of CNRG. From November 2013 to May 2015, he served as a vice president and a standing member of the Party committee of CNR. From May 2015 to September 2020, he served as a standing member of the Party committee of the Company. He has served as a vice president of the Company since June 2015.

Ms. Li Zheng, born in 1972, a Chinese national with no right of abode overseas, is a holder of bachelor's degree, master of accounting, professorate senior accountant, a member of the standing committee of the Company's Party committee and chief financial officer (chief accountant) of the Company. She also acts as the member of the standing committee of the Party committee of CRRCG. Ms. Li previously served as the deputy general manager of China Engineering and Agriculture Machinery Import and Export Co., Ltd. (中國工程與農業機械進出口有限公司), deputy chief accountant and assistant general manager of Sinohydro International Engineering Co., Ltd. (中國水電建設集團國際工程有限公司), chief accountant, chairman of the labor union of Sinohydro Overseas Investment Co., Ltd. (中國水電海外投資有限公司), deputy general manager, chief accountant of Powerchina Resources Limited (中國電建集團海外投資有限公司). Since October 2019, she has served as a member of the standing committee of the Party committee and chief financial officer (chief accountant) of the Company.

Mr. Lin Cunzeng, born in 1973, a Chinese national with no right of abode overseas, is a holder of master's degree, professorate senior engineer, a member of the standing committee of the Party committee and vice president of the Company. He also serves as a standing member of the Party committee of CRRCG. Mr. Lin previously served as the deputy general manager of China CNR Dalian Locomotive & Rolling Stock Co., Ltd. (中國北車大連機車車輛有限公司); the director, a deputy general manager, the Party secretary of the Party committee and the chairman of CRRC Dalian Locomotive & Rolling Stock Co., Ltd. (中車大連機車車輛有限公司). Since February 2024, he has served as a member of the standing committee of the Party committee and vice president of the Company.

Mr. Wang Feng, born in 1973, a Chinese national with no right of abode overseas, is a holder of bachelor's degree, master's degree in business administration for senior management and master's degree in engineering. He is a professorate senior engineer, a member of the standing committee of the Party committee and vice president of the Company. He also serves as a standing member of the Party committee of CRRCG. Mr. Wang previously served as the deputy general manager of CNR Changchun Railway Vehicle Co., Ltd. (中國北車長春軌道客車股份有限公司); the deputy general manager, deputy secretary of the Party committee, the director, general manager, the Party secretary of the Party committee and the chairman of CRRC Changchun Railway Vehicles Co., Ltd. (中車長春軌道客車股份有限公司). Since February 2024, he has served as a member of the standing committee of the Party committee and vice president of the Company.

Directors, Supervisors, Senior Management and Staff

Mr. Liu Ke'an, born in 1971, a Chinese national with no right of abode overseas, is a holder of doctoral degree. He is a professorate senior engineer, a member of the standing committee of the Party committee and vice president of the Company. He also serves as a standing member of the Party committee of CRRCG. Mr. Liu previously served as the deputy secretary of the Party committee and general manager of Zhuzhou CRRC Times Electric Co., Ltd. (株洲中車時代電氣股份有限公司); the deputy secretary of the Party committee, the director and general manager of CRRC Zhuzhou Electric Locomotive Research Institute Co., Ltd. (中車株洲電力機車研究所有限公司). Since February 2024, he has served as a member of the standing committee of the Party committee and vice president of the Company.

Mr. Wang Jian, born in 1972, a Chinese national with no right of abode overseas, is a holder of master's degree and a master's degree in business administration, and is a senior accountant. He currently serves as the secretary to the Board and the joint company secretary. Previously, Mr. Wang Jian served as the deputy director of the accounting office of the finance department and the deputy head of the finance department of CNRG, the deputy head and the director of funding division in the finance department, the head of the finance department, the assistant to chief accountant and the head of the finance department of CNR. From June 2015 to May 2020, he served as the deputy chief accountant and the head of the finance department, and the head of the finance department of the Company. He has served as the director of the finance and capital operation center of the Company since May 2020, the joint company secretary of the Company since August 2021, and the secretary to the Board of the Company since October 2021. He has also been the head of the Finance and Capital Operation Department of the Company from November 2022 to July 2023.

(III) Share incentive scheme granted to Directors, Supervisors and Senior Management during the reporting period

During the reporting period, the Company did not grant any share incentives to any of its Directors, Supervisors and Senior Management.

II. Positions Held by Current and Resigned Directors, Supervisors and Senior Management during the Reporting Period

(I) Positions held in shareholder's entity

Employee's name	Name of the shareholder's entity	Position held in the shareholder's entity	Commencement of term of office	Expiration of term of office
Sun Yongcai	CRRCG	Chairman	March 2021	-
Ma Yunshuang	CRRCG	Director	January 2024	March 2025
		General manager	February 2024	March 2025
Wang An	CRRCG	Employee director	November 2021	-

Directors, Supervisors, Senior Management and Staff

(II) Positions held in other entities

Employee's name	Name of other entities	Position held in other entities	Commencement of term of office	Expiration of term of office
Jiang Renfeng	China Datang Corporation Ltd.	External director	November 2021	November 2024
	China Logistics Group Limited	External director	December 2021	November 2024
Shi Jianzhong	China Electronics Technology Group Corporation Limited	External director	March 2020	-
	Aero Engine Corporation of China	Director	July 2016	-
Ngai Ming Tak	The Red Group	Chairman	December 2013	-
	Asia GreenTech Fund	Chairman	February 2020	-
	Green Economy Development Limited	President	August 2021	March 2025
	China COSCO Shipping Corporation Limited	External director	May 2022	-
	China Longyuan Power Group Corporation Limited	Independent non-executive director	November 2021	-
	True Partner Capital Holding Limited	Independent non-executive director	October 2020	-
Liu Ke'an	Zhuzhou CRRC Times Electric Co., Ltd.	Vice chairman	September 2020	June 2024
		Executive director	January 2016	June 2024

Notes:

- (1) China Longyuan Power Group Corporation Limited is a company listed on the Main Board of the Stock Exchange (stock code: 916) and the Main Board of the Shenzhen Stock Exchange (stock code: 1289).
- (2) True Partner Capital Holding Limited is a company listed on the GEM board of the Stock Exchange (stock code: 8657).
- (3) Sanergy Group Limited is a company listed on the Main Board of the Stock Exchange (stock code: 2459).
- (4) Zhuzhou CRRC Times Electric Co., Ltd. is a company listed on the Main Board of the Stock Exchange (stock code: 3898) and the Science and Technology Innovation Board of SSE (stock code: 688187).

Directors, Supervisors, Senior Management and Staff

III. Remuneration of Directors, Supervisors and Senior Management

Decision-making procedures of the remuneration of Directors, Supervisors and Senior Management	The Remuneration and Evaluation Committee of the Board submits proposals to the Board in respect of the remuneration for Directors and members of the Senior Management. The Board decides the remuneration, incentives and punishment matters for members of the management. The general meeting of the Company decides matters relating to the remuneration for the relevant Directors and Supervisors.
Whether the Director recuses himself from the Board's discussion of his own remuneration	Yes
Details of the recommendations expressed on the matters in relation to the remuneration of Directors, Supervisors and Senior Management in the Remuneration and Evaluation Committee or special meetings of independent Directors	The Remuneration and Evaluation Committee of the Board of the Company considered and approved the relevant resolution on the remuneration of the Directors and Senior Management of the Company for the year 2024 on 27 March 2025 and submitted it to the 32nd meeting of the third session of the Board of the Company for consideration.
Determination basis of the remuneration of Directors, Supervisors and Senior Management	The Company determined the remuneration of Directors, Supervisors and Senior Management with reference to the Articles of Association and relevant requirements.
Actual payment of the remuneration of Directors, Supervisors and Senior Management	The Company, pursuant to relevant provisions, paid remunerations to the Directors, Supervisors and Senior Management, except for Jiang Renfeng, a non-executive Director, who is concurrently a professional external director of SASAC and does not receive remuneration from the Company pursuant to the requirement of SASAC; Shi Jianzhong, Weng Yiran and Ngai Ming Tak, independent Directors, who received remuneration pursuant to the standard approved at the general meeting in accordance with the requirement of SASAC.
Total actual remuneration of all the Directors, Supervisors and Senior Management at the end of the reporting period	The total remuneration for the year was RMB11.0419 million.

During the reporting period, none of the Directors or the Supervisors waived or agreed to waive their respective emoluments.

Directors, Supervisors, Senior Management and Staff

IV. Changes in Directors, Supervisors and Senior Management of the Company

On 22 February 2024, the Company held the 20th meeting of the third session of the Board to appoint Mr. Ma Yunshuang as the president of the Company, and his term of office shall commence from the date on which the resolution was considered by the Board of the Company and end on the date of expiry of the third session of the Board.

On 22 February 2024, the Company held the 21st meeting of the third session of the Board to appoint Mr. Lin Cunzeng, Mr. Wang Feng and Mr. Liu Ke'an as the vice presidents of the Company. The term of office of the above appointed vice presidents shall commence from the date on which the resolution was considered by the Board of the Company and end on the date of expiry of the third session of the Board.

On 19 March 2024, the Company held the 2024 first extraordinary general meeting to add Mr. Ma Yunshuang as an executive Director of the third session of the Board of the Company, and his term of office shall commence from the date on which the resolution was considered at the general meeting of the Company and end on the date of expiry of the third session of the Board.

On 19 March 2024, the Company held the 22nd meeting of the third session of the Board to add Mr. Ma Yunshuang as a member of the Strategy Committee (adjusted to "Strategy and Sustainable Development Committee" as considered and approved by the 27th meeting of the third session of the Board of the Company on 23 August 2024) and a member of the Nomination Committee of the Board of the Company, and his term of office shall commence from the date on which the resolution was considered at the Board of the Company and end on the date of expiry of the third session of the Board.

On 31 December 2024, Mr. Jiang Renfeng resigned as a non-executive Director, the vice chairman and a member of the Strategy and Sustainable Development Committee, a member of the Audit and Risk Management Committee and a member of the Remuneration and Evaluation Committee of the Board due to his age.

On 20 March 2025, Mr. Ma Yunshuang resigned as an executive Director, the president, a member of the Strategy and Sustainable Development Committee and a member of the Nomination Committee of the Board due to work adjustment.

On 25 March 2025, the second employee delegation (group) leader joint meeting of the second session of the employee representative meeting elected Ms. Yi Ran as the employee Director of the third session of the Board of the Company with her term of office commencing from the date of election at the meeting until the date of expiry of the term of the third session of the Board.

Directors, Supervisors, Senior Management and Staff

V. Staff of the Parent Company and Principal Subsidiaries

(I) Staff information

Total number of staff with the parent company	176
Total number of staff with principal subsidiaries	151,906
Total number of staff	152,082
Number of employees whose retirement expenses are borne by the parent company and principal subsidiaries	129,913

By profession

Category of profession	Number of each profession
Production personnel	75,460
Technical personnel	40,419
Management personnel	31,630
Other personnel	4,573
Total	152,082

By education

Education level	Number (person)
Doctors	625
Masters	18,808
University graduates	57,604
Tertiary college graduates	31,862
Secondary school and below	43,183
Total	152,082

Directors, Supervisors, Senior Management and Staff

(II) Remuneration policies

In 2024, the Company fully implemented its remuneration management policies. Firstly, the Company made efforts to highlight innovation and creation as guidelines, accurately implemented the incentive assurance policy for scientific and technological talents, optimized the internal distribution relationship of enterprises, guided the affiliated enterprises to formulate incentive targets in combination with the actual situation, reasonably opened up the wage scale of the internal incomes of scientific and technological talents, intensified precise incentives, and endeavored to enhance the market competitiveness of remuneration level of the backbone scientific and technological talents. Secondly, the Company strengthened the link between performance and remuneration, optimized the implementation of two-way incentives policy for the persons-in-charge of our subsidiaries, set differentiated incentive standards for different enterprises, and increased the extent of two-way incentive policy and reasonably opened up the income gap. Thirdly, the Company has focused on the core scientific and technological backbone, the medium and long-term incentives and a three-year work plan, adhered to the policy for one enterprise and one policy, strictly reviewed and confirmed the medium and long-term incentives for all subsidiaries.

(III) Training Scheme

In 2024, the Company continued to increase its efforts in training and cultivation of talents. According to the "14th Five-Year Plan" human resources strategic plan, it formulated the "2024 Main Points of Human Resources of CRRC" (《中國中車2024年人力資源工作要點》) and the annual training plan, and organized, planned and implemented the project of talent training and development of the Company in 2024. According to the New Pattern of Industrial Development of "Two Tracks and Two Clusters" and the demand of talent of the Company's business structure, it focused on the urgent need for capacity building of various talent teams, followed the rules of employee career development, insisted on focusing on the key points, seeking practical results, making investment overseas, formulating and implementing annual training plans in a scientific and systematic way, and carefully planning training programs. The Company innovated and optimized the control mechanism and standards of the whole process of project implementation, and made efforts to empower talent to help the Company's high-quality development.

In 2024, the Company continued to deepen the systematic and targeted training empowerment, and the quality and effectiveness of various training development was significantly improved. It has focused on key thematic training programs such as advanced digital economy training courses, industrial engineering management courses, marketing and project management, legal compliance and risk prevention and control, DLS international talents, as well as training programs for headquarter departments, targeted at improving the ability of performance and professional level of leading cadres, and planned and held 60 key training programs at the company level, providing training to more than 7,700 employees. A total of 334,000 people have participated in subsidiary level and workshop level training held by affiliated enterprises, with approximately 118,000 management personnel, approximately 75,000 professional and technical personnel, and 141,000 skilled personnel participated, providing a solid human resource guarantee for the Company's high-quality development and accelerating the construction of a respected world-class CRRC.

Corporate Governance Report

I. Explanation of Related Circumstance of Corporate Governance

During the reporting period, the Company carried out corporate governance work in strict compliance with requirements of laws and regulations such as the Company Law, the Securities Law and the Code of Corporate Governance for Listed Companies as well as relevant requirements of the SSE and the Stock Exchange, and established the modern corporate governance structure featuring “General Meeting, the Board, the Board of Supervisors and the Management”. Through the establishment of an effective corporate governance mechanism, corporate governance and operation management has been continuously improved such that the corporate governance of the Company is further perfected.

The Company established its corporate governance rules according to the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Hong Kong Listing Rules. In certain aspects, the corporate governance practices adopted by the Company are more stringent than the code provisions set out in the Code. After reviewing the corporate governance documents adopted by the Company, the Board is of the opinion that during the year, the Company was in compliance with the principles and code provisions in Part 2 of the Code, and adopted part of the recommended best practices specified therein.

II. Shareholders and General Meetings

(I) Shareholders and general meetings

Safeguarding shareholders’ interests and promoting their values always serves as the Company’s goal of development. The general meeting is the highest authority of the Company, through which shareholders may exercise their powers. The Company convened and held general meetings to resolve related matters in strict compliance with relevant laws and regulations as well as the requirements under the Rules of Procedure for General Meetings of the Company. The Company ensured that all shareholders, especially minority shareholders, were entitled to their legal interest based on their shareholdings in the Company and to fully exercise their rights.

(II) Relationship between the controlling shareholder and the Company

The Company is strictly independent from its controlling shareholder in terms of assets, business, organization, finance and personnel. The Board, Board of Supervisors and internal departments are able to operate independently. The controlling shareholder of the Company places stringent constraint on individual behaviors and exercises rights and undertakes obligations as a shareholder pursuant to laws. The Company is not aware of any appropriation of the Company’s capital and assets by the controlling shareholder.

Corporate Governance Report

III. Directors and the Board

(I) Directors and the Board

Currently, the Board of the Company consists of six Directors, including three independent non-executive Directors. The Board acts in the best interests of the Company and shareholders and is responsible for the consideration and approval of business strategies and material investment and other significant matters of the Company. The main duties of the Board shall also include consideration and approval of the Company's regular announcements on results and operating conditions. The convening, holding, voting and other relevant procedures of the Company's Board meetings were executed in strict compliance with relevant laws and regulations as well as requirements of the Rules of Regular Meetings of the Board and the Rules of Procedure for the Board of Directors. All Directors are familiar with their rights, obligations and responsibilities as Directors and are capable of performing their functions with due diligence in a faithful and diligent manner. All Directors were punctual at Board meetings. They duly considered every resolution proposed at the Board meetings and the general meetings and gave constructive advice thereof, bringing into full play their decision-making roles in corporate governance as Directors. The independent Directors of the Company actively participated in corporate governance and raised suggestions and advice for reform and development of the Company with their knowledge and rich work experience, facilitating the Company with optimization of strategy, enhancement of management and improvement of operation.

The Board of the Company has established four special committees hereunder, namely the Strategy and Sustainable Development Committee, the Nomination Committee, the Remuneration and Evaluation Committee, and the Audit and Risk Management Committee. During the reporting period, all the committees carried out work in a regular manner, and presented work proposals from their respective professional perspectives independently for discussion and consideration, whereby providing strong support to the Board.

The Company has established a sound mechanism to clarify the nomination policy of the Directors, the terms of reference of the Remuneration and Nomination Committee, the procedures for the election and appointment of the Directors (including independent non-executive Directors) and the criteria for their appointment, the mechanism for abstention of the Directors from voting on relevant proposals to be considered by the Board, the authority of the independent board committee to engage independent financial advisors or other professional advisors, etc. through the formulation and improvement of internal policies such as the Articles of Association, the Rules of Procedure for the Board of Directors and the Rules of Work for the Independent Directors of CRRC Corporation Limited to ensure that the Board can obtain independent views and opinions. The Company has reviewed the implementation and effectiveness of the above mechanism and considers that the above mechanism can ensure that the Board can obtain independent views and opinions.

Corporate Governance Report

The Board is mainly responsible for formulating and reviewing the corporate governance policies and practices of the Company and authorizing the special committees to perform specific functions of corporate governance. Details of the Board committees performing corporate governance functions are set out in the section headed "Board committees" in this chapter. The composition of the Board, biographical details of Directors and relationship between them are detailed in the chapter headed "Directors, Supervisors, Senior Management and Staff" and the section headed "Financial, business or family relationship among members of the Board" under "Report of Directors". Each Director was appointed for a term of three years. Upon expiry, such terms are renewable upon re-election.

In 2024, the Company purchased liability insurance for Directors, Supervisors and Senior Management of the Company to provide security for the compensation liabilities that may rise during the performance of their duties in accordance with laws.

(II) Convening of the Board meetings during the reporting period

Meeting session	Convention date	Meeting resolution
20th meeting of the third session of the Board	22 February 2024	"Resolution on the Appointment of the President of CRRC Corporation Limited" was considered and approved at the meeting
21st meeting of the third session of the Board	22 February 2024	"Resolution on the Addition of Director to the Third Session of the Board of CRRC Corporation Limited" and three other resolutions were considered and approved at the meeting
22nd meeting of the third session of the Board	19 March 2024	"Resolution on the Addition of Members to the Relevant Special Committees of the third session of the Board of CRRC Corporation Limited" and one other resolution were considered and approved at the meeting
23rd meeting of the third session of the Board	28 March 2024	"Resolution on the 2023 Annual Report of CRRC Corporation Limited" and 23 other resolutions were considered and approved at the meeting
24th meeting of the third session of the Board	29 April 2024	"Resolution on the 2024 First Quarter Report of CRRC Corporation Limited" and 3 other resolutions were considered and approved at the meeting
25th meeting of the third session of the Board	3 July 2024	"Resolution on the 2024 Action Plan for Enhancing Quality, Increasing Efficiency and Emphasizing Returns" was considered and approved at the meeting

Corporate Governance Report

Meeting session	Convention date	Meeting resolution
26th meeting of the third session of the Board	29 July 2024	"Resolution on the Establishment of Digital Intelligent Business Department by CRRC Corporation Limited" was considered and approved at the meeting
27th meeting of the third session of the Board	23 August 2024	"Resolution on the 2024 Interim Report of CRRC Corporation Limited" and 3 other resolutions were considered and approved at the meeting
28th meeting of the third session of the Board	30 October 2024	"Resolution on the 2024 Third Quarterly Report of CRRC Corporation Limited" and 4 other resolutions were considered and approved at the meeting
29th meeting of the third session of the Board	6 December 2024	"Resolution on the Amendment to the Administrative Measures for Domestic and Overseas Investment of CRRC Corporation Limited" and 4 other resolutions were considered and approved at the meeting
30th meeting of the third session of the Board	23 December 2024	"Resolution on the Transfer of the 80% Equity Interest of Beijing CNR CR Transportation Equipment Co., Ltd. (北京北車中鐵轨道交通裝備有限公司) Held by CRRC Asset Management Co., Ltd. to CRRC Corporation Limited at Nil Consideration" was considered and approved at the meeting

During the reporting period, the Company convened eleven Board meetings, of which three were held physically and eight were held both physically and virtually.

Corporate Governance Report

(III) Attendance of Directors at the Board meetings and the general meetings

Name of Directors	Independent Director or not	Required attendance at the Board meetings during the year	Attendance at the Board meetings				Attendance at the general meetings		
			Attendance in person	Attendance by communication	Attendance by proxy	Absent	Absent from two consecutive meetings or not	Required attendance at the general meetings during the year	Number of attendance at the general meetings
Sun Yongcai	No	11	11	1	0	0	No	2	2
Ma Yunshuang	No	9	7	1	2	0	No	1	0
Wang An	No	11	10	2	1	0	No	2	2
Jiang Renfeng	No	11	11	2	0	0	No	2	2
Shi Jianzhong	Yes	11	9	2	2	0	Yes	2	2
Weng Yiran	Yes	11	11	0	0	0	No	2	2
Ngai Ming Tak	Yes	11	11	6	0	0	No	2	2

Note: On 19 March 2024, the Company held the 2024 first extraordinary general meeting to elect Mr. Ma Yunshuang as an executive Director of the Company. On 22 February 2024, two Board meetings were held on the same day, and Mr. Shi Jianzhong was unable to attend the meetings in person due to other official duties, and attended the meetings by proxy.

(IV) Development and refreshment of knowledge and skills by Directors

The Board Office provides comprehensive services and sufficient information for the Directors, so that the Directors can understand the conditions of the Company in a timely manner. The Board Office delivers to Directors the latest information and bulletins related to the business changes and development of the Company and the latest laws, rules and regulations in relation to their positions and responsibilities. The Board Office also arranges themed trainings and seminars for Directors. In 2024, pursuant to the requirements under code provision C.1.4 of the Code, Directors of the Company all participated in continuous professional development activities in relation to their positions and responsibilities, to develop and refresh their knowledge and skills, so as to ensure that their contribution to the Board remains informed and relevant. Based on the trainings arranged for the Directors by the Company and the records of learning and trainings submitted by the Directors personally, the trainings received by each Director in 2024 are as follows:

Corporate Governance Report

Name of Director	Trainings ^{Note 1}
Executive Directors	
Sun Yongcai	ABC
Ma Yunshuang (resigned)	ABC
Wang An	ABC
Non-executive Director	
Jiang Renfeng (resigned)	ABC
Independent Non-executive Directors	
Shi Jianzhong	ABC
Weng Yiran	ABC
Ngai Ming Tak	ABC

Note:

1. A, B and C in the above table represent trainings of the following types respectively:
 - A. Attending trainings on corporate governance organized by regulatory institutions
 - B. Attending seminar trainings in aspects such as legal regulation, corporate governance and financial control organized by professional institutions
 - C. Studying and reading relevant laws and regulations (revised and amended) such as the Hong Kong Listing Rules

Mr. Ma Yunshuang and Ms. Yi Ran obtained legal advice under Rule 3.09D of the Hong Kong Listing Rules on 19 March 2024 and 25 March 2025, respectively. They confirmed that they understood their responsibilities as directors of a listed issuer.

(V) Independent non-executive Directors and their independence

The Board currently comprises three independent non-executive Directors. Independent non-executive Directors represent the majority of the members of the Nomination Committee, the Remuneration and Evaluation Committee and the Audit and Risk Management Committee under the Board, and the chairmen of the Nomination Committee, the Remuneration and Evaluation Committee and the Audit and Risk Management Committee are all independent non-executive Directors.

The independent non-executive Directors of the Company have extensive expertise and experience, among whom Weng Yiran is an accounting professional. Each of the independent non-executive Directors confirmed that he has met the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules. The Company considers that the independence of each of the independent non-executive Directors has been established. During the reporting period, the independent non-executive Directors did not raise objections to the relevant matters of the Company.

(VI) Responsibilities of the Board

The Board is the decision-making institution of the Company, who reports to the general meeting and exercises several powers in accordance with the Articles of Association, mainly including, but not limited to the following: (1) to convene general meetings and implement resolutions of the general meetings; (2) to decide on the Company's business plans and investment plans; (3) to formulate the Company's annual financial budget plan, final accounts, profit distribution plan and plan for recovery of losses; (4) to formulate proposals for material acquisition, share repurchase by the Company, or merger, division, dissolution and transformation of the Company form; (5) to appoint or remove Senior Management members and, to decide on their remuneration and award and punishment matters; (6) to formulate the Company's basic management system; (7) to decide on the establishment of special committees of the Board and to consider and approve the proposals proposed by each special committee of the Board; and (8) to manage information disclosure matters of the Company, etc.

(VII) Board committees

1. Members of special committees of the Board

Category of Special Committees	Names of Members
Strategy and Sustainable Development Committee	Sun Yongcai, Wang An, Shi Jianzhong, Weng Yiran
Nomination Committee	Ngai Ming Tak, Sun Yongcai, Shi Jianzhong, Weng Yiran
Remuneration and Evaluation Committee	Shi Jianzhong, Weng Yiran, Ngai Ming Tak
Audit and Risk Management Committee	Weng Yiran, Shi Jianzhong, Ngai Ming Tak

Note: On 19 March 2024, the Company held the 22nd meeting of the third session of the Board to add Mr. Ma Yunshuang as a member of the Strategy Committee and a member of the Nomination Committee of the Board of the Company.

On 23 August 2024, the Company held the 27th meeting of the third session of the Board, at which the Resolution on the Adjustment of the Strategy Committee of the Board to the Strategy and Sustainable Development Committee and the Amendments to the Working Rules for the Committee of CRRC Corporation Limited was considered and approved, and the Strategy Committee was adjusted to the Strategy and Sustainable Development Committee.

Corporate Governance Report

On 31 December 2024, Mr. Jiang Renfeng resigned as a non-executive Director, the vice chairman and a member of the Strategy and Sustainable Development Committee, a member of the Remuneration and Evaluation Committee and a member of the Audit and Risk Management Committee of the Board of the Company due to his age. Following the resignation of Mr. Jiang Renfeng, the number of members of the Audit and Risk Management Committee of the Company decreased from three to two, which was below the minimum number as required under Rule 3.21 of the Hong Kong Listing Rules.

On 6 January 2025, the Company held the 31st meeting of the third session of the Board, at which the appointment of Mr. Weng Yiran as an additional member of the Strategy and Sustainable Development Committee, the appointment of Mr. Ngai Ming Tak as an additional member of the Remuneration and Evaluation Committee and the appointment of Mr. Shi Jianzhong as an additional member of the Audit and Risk Management Committee were approved. Upon the appointment of Mr. Shi Jianzhong as a member of the Audit and Risk Management Committee, the Audit and Risk Management Committee of the Company comprises three members, all of whom are independent non-executive directors, which is in compliance with the requirements under Rule 3.21 of the Hong Kong Listing Rules.

On 20 March 2025, Mr. Ma Yunshuang resigned as an executive Director, the president, a member of the Strategy and Sustainable Development Committee and a member of the Nomination Committee of the Board of the Company due to work adjustment.

2. Strategy and Sustainable Development Committee

During the reporting period, the Strategy and Sustainable Development Committee, in strict compliance with the requirements of the Working Rules for Strategy and Sustainable Development Committee of the Board of the Company, performed its duties in an independent and objective manner. The Strategy and Sustainable Development Committee currently comprises Mr. Sun Yongcai and Mr. Wang An, the executive Directors, and Mr. Shi Jianzhong and Mr. Weng Yiran, the independent non-executive Directors. Mr. Sun Yongcai serves as the chairman of the committee. The Strategy and Sustainable Development Committee shall be held accountable to the Board and its primary responsibilities are to study and make recommendations on the long-term development strategies and major investment decisions of the Company, and to supervise and examine the implementation of the annual business plan and investment plan under the authorization of the Board.

During the reporting period, the Strategy and Sustainable Development Committee of the Board of the Company held two meetings in total.

Corporate Governance Report

Convention date	Content of the meeting	Important comments and suggestions	Other performance of duties
28 March 2024	"Resolution on the 2024 Annual Investment Plan of CRRC Corporation Limited" and 3 other resolutions were considered	The Strategy and Sustainable Development Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed all the resolutions and agreed to submit them to the Board of the Company for consideration.	None
23 December 2024	"Report on the Completion of the 2024 Investment Budget of CRRC Corporation Limited" was listened	The Strategy and Sustainable Development Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company.	None

Corporate Governance Report

The attendance of each member is as follows:

Name of Directors	Number of attendance/ Number of meetings	Attendance rate
Sun Yongcai	2/2	100%
Jiang Renfeng (resigned)	2/2	100%
Ma Yunshuang (resigned)	2/2	100%
Wang An	1/2	50%
Shi Jianzhong	2/2	100%

3. Nomination Committee

During the reporting period, the Nomination Committee of the Board, in strict compliance with the requirements of the Working Rules for Nomination Committee of the Board of the Company, performed its duties in an independent and objective manner. The Nomination Committee of the Board of the Company currently comprises Mr. Ngai Ming Tak, Mr. Shi Jianzhong and Mr. Weng Yiran, the independent non-executive Directors, and Mr. Sun Yongcai, the executive Director. Mr. Ngai Ming Tak serves as the chairman of the committee. The Nomination Committee shall be held accountable to the Board and its primary responsibilities are to formulate the nomination procedures and selection standards of the Directors and Senior Management and to preliminarily review the eligibility and other qualifications of the candidates for the Directors and Senior Management. The standards for recommendation on the nomination of the Directors include suitable professional knowledge and industry experience, personal conduct, integrity and skills and commitment to devoting sufficient time; and to monitor the implementation of the Board Diversity Policy and to review and amend the policy, as appropriate, to ensure its effectiveness. During the reporting period, the Nomination Committee successfully accomplished the following work: reviewing the independence of the independent non-executive Directors and considering each independent non-executive Director being independent.

Diversity Policy

All appointments to the Board are made on the basis of merit, and objective criteria are used for consideration of candidates with due regard to the benefits of diversity on the Board and, from time to time, the Company's own business model and specific needs. The Company has adopted a diversity policy for the Board. In accordance with the Board Diversity Policy, the Nomination Committee shall take into account relevant factors to achieve diversity of members of the Board based on the business model and specific needs of the Company. The committee may consider the diversity of members of the Board in various aspects, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and length of service. After considering the relevant factors, the committee makes final recommendations to the Board for appointments based on the strengths of the Director candidates and the contribution they can make to the Board. The Company aims to take into account various factors (including but not limited to gender, age, cultural and educational background, professional or other experience, independence, skills and knowledge) to ensure an appropriate balance of skills, experience and diversity among members of the Board in order to enhance their performance. For the purpose of implementing the Board Diversity Policy, the Company has adopted the following measurable objectives:

- 1: There is at least one female member on the Board;
- 2: There is at least one independent non-executive Director on the Board who ordinarily resides in Hong Kong;
- 3: There is at least one financial expert on the Board with professional qualifications and experience in finance and auditing as recognized by the regulatory authorities;
- 4: The number of non-executive Directors (including independent non-executive Directors) on the Board reaches at least one-half of the number of the Directors on the Board, and the number of independent non-executive Directors reaches one-third of the number of the Directors on the Board;
- 5: The age composition of the Directors is reasonable, with the existing six Directors with the age range from 43 to 70, of whom 3 are below 60 years old and 3 are over 60 years old;
- 6: Diversity in the professions practiced by the Directors, with the existing 6 Directors having a balanced mix of experience in the fields of operation and management, rail transportation, law, administration and accounting.

Corporate Governance Report

For the year ended 31 December 2024, the Company achieved the measurable targets in the Board Diversity Policy, except for gender diversity. Reference is made to the announcement of the Company dated 25 March 2025 in relation to the appointment of Ms. Yi Ran as the employee Director of the Company, pursuant to which the Company has currently achieved the gender diversity target in the Board Diversity Policy. In selecting and recommending suitable candidates for the members of the Board in the future, the Company will seize the opportunity to increase the proportion of female members of the Board and enhance the level of gender diversity in accordance with shareholder expectations and recommended best practices.

The Senior Management of the Company is composed of six members, including one female member. In selecting and recommending suitable candidates for the Senior Management, the Company will seize the opportunity to increase the proportion of female members. The Company has always adhered to the principle of equal employment between men and women and eliminated gender discrimination. Since the Company is mainly engaged in the rail transportation industry, many production positions in the Company are labor-intensive and not suitable for female employees due to objective factors such as physical ability and operating environment. In order to protect the employment rights of women, the Company arranges jobs within the capacity of female employees as far as possible and ensures that the proportion of female employees is not less than the current level. As at the end of the reporting period, the ratio of female employees to all employees of the Company was 17%.

During the reporting period, the Nomination Committee of the Board of the Company held four meetings in total.

Convention date	Content of the meeting	Important comments and suggestions	Other performance of duties
22 February 2024	"Resolution on the Nomination of the President of CRRC Corporation Limited" was considered	The Nomination Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed the resolution and agreed to submit it to the Board of the Company for consideration.	None

Corporate Governance Report

Convention date	Content of the meeting	Important comments and suggestions	Other performance of duties
22 February 2024	"Resolution on the Addition of Director to the Third Session of the Board of CRRC Corporation Limited" and 1 other resolution were considered	The Nomination Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed both the resolutions and agreed to submit them to the Board of the Company for consideration.	None
19 March 2024	"Resolution on the Nomination of the Authorized Representative of CRRC Corporation Limited" was considered	The Nomination Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed the resolution and agreed to submit it to the Board of the Company for consideration.	None

Corporate Governance Report

Convention date	Content of the meeting	Important comments and suggestions	Other performance of duties
27 March 2024	"Resolution on Accessing the Independence of Independent Non-executive Directors" and 1 other resolution were considered	The Nomination Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed the resolutions.	None

The attendance of each member is as follows:

Name of Directors	Number of attendance/ Number of meeting	Attendance rate
Ngai Ming Tak	4/4	100%
Sun Yongcai	4/4	100%
Ma Yunshuang (resigned)	1/1	100%
Shi Jianzhong	2/4	50%
Weng Yiran	4/4	100%

4. Remuneration and Evaluation Committee

During the reporting period, the Remuneration and Evaluation Committee of the Board, in strict compliance with the requirements of the Working Rules for Remuneration and Evaluation Committee of the Board of the Company, performed its duties in an independent and objective manner. The Remuneration and Evaluation Committee of the Board of the Company currently comprises Mr. Shi Jianzhong, Mr. Weng Yiran and Mr. Ngai Ming Tak, the independent non-executive Directors. Mr. Shi Jianzhong serves as the chairman of the committee. The Remuneration and Evaluation Committee shall be held accountable to the Board and its primary responsibilities are to submit proposals to the Board on the Company's remuneration policy and structure for all Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy; to review the remuneration policies and schemes for the Directors and Senior Management; to formulate the evaluation criteria for them and to evaluate their performance of duties; to submit proposals to the Board on the formulation of the remuneration packages for certain executive Directors and Senior Management; to review and monitor the continuing professional development of the Directors and Senior Management; and to monitor the implementation of the Company's remuneration system. During the reporting period, the Remuneration and Evaluation Committee successfully accomplished the following work: determining the remuneration for the Directors and Senior Management for 2023 based on the remuneration policies for the Directors and Senior Management and submitting the proposal to the Board for consideration and approval.

Corporate Governance Report

During the reporting period, the Remuneration and Evaluation Committee of the Board of the Company held two meetings in total.

Convention date	Content of the meeting	Important comments and suggestions	Other performance of duties
27 March 2024	"Resolution on Remuneration of Directors of CRRC Corporation Limited for 2023" and 1 other resolution were considered	The Remuneration and Evaluation Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed the resolutions and agreed to submit them to the Board of the Company for consideration.	None
6 December 2024	"Report on the Remuneration Allocation of CRRC Corporation Limited" was listened	The Remuneration and Evaluation Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company.	None

The attendance of each member is as follows:

Name of Directors	Number of attendance/ Number of meeting	Attendance rate
Shi Jianzhong	2/2	100%
Jiang Renfeng (resigned)	2/2	100%
Weng Yiran	2/2	100%

5. Audit and Risk Management Committee

During the reporting period, the Audit and Risk Management Committee of the Board, in strict compliance with the requirements of the Working Rules for Audit and Risk Management Committee of the Board and the Annual Report Working Procedures for the Audit and Risk Management Committee of the Board of the Company, performed its duties in an independent and objective manner. The Audit and Risk Management Committee of the Board of the Company currently comprises Mr. Weng Yiran, Mr. Shi Jianzhong and Mr. Ngai Ming Tak, who are independent non-executive Directors. Mr. Weng Yiran has extensive professional knowledge and experience in accounting and is a certified public accountant serving as the chairman of the Audit and Risk Management Committee. The Audit and Risk Management Committee shall be held accountable to the Board and its primary responsibilities are to propose the appointment or replacement of external auditors, to supervise and evaluate the work of external auditors, to review the Company's financial information and its disclosure, to monitor the Company's internal audit system and its implementation, to review the Company's internal control and risk management system as well as communication between internal auditors and external auditors. During the reporting period, the Audit and Risk Management Committee successfully accomplished the following work: (1) supervising external audit procedures and quality. The Audit and Risk Management Committee communicated with auditors for the annual audit plan in respect of the 2023 annual audit arrangement and timetable. Having been debriefed special reports from the accounting firms, respectively, the committee determined the audit work arrangement of the Company for 2024. (2) reviewing the financial information of the Company and the disclosure thereof. The Audit and Risk Management Committee examined and studied the financial information as disclosed in the Company's report and financial statements, and carefully reviewed the resolutions in relation to the financial report of the Company. (3) providing guidance to the Company's internal audit. The Audit and Risk Management Committee considered the proposals submitted by the audit department and reviewed and approved the internal audit work plan put forward by the Company and gave guidance and lay down requirements for carrying out internal audit. (4) reviewing the Company's implementation of internal control and risk management. The Audit and Risk Management Committee considered the proposals regarding internal control and risk management submitted by the Company and expressed review opinions on the internal control audit report of the Company for 2023.

Corporate Governance Report

During the reporting period, the Audit and Risk Management Committee of the Board of the Company held six meetings in total.

Convention date	Content of the meeting	Important comments and suggestions	Other performance of duties
22 February 2024	"Resolution on the Policy of Prior Consent for the Provision of Non-Assurance Services by the Auditors of CRRC Corporation Limited" and 1 other resolution were considered	The Audit and Risk Management Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed the resolutions.	None
27 March 2024	"Resolution on the 2023 Annual Report of CRRC Corporation Limited" and 14 other resolutions were considered	The Audit and Risk Management Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed all the resolutions and agreed to submit the relevant resolutions to the Board of the Company for consideration.	None

Corporate Governance Report

Convention date	Content of the meeting	Important comments and suggestions	Other performance of duties
29 April 2024	"Resolution on the Transfer of 49% Equity Interest held by Tianjin Equipment in Jinpu Industrial Park to CRRC Science and Technology Park and the Related-party Transaction" and 1 other resolution were considered	The Audit and Risk Management Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed both the resolutions and agreed to submit the relevant resolutions to the Board of the Company for consideration.	None
22 August 2024	"Resolution on the 2024 Interim Report of CRRC Corporation Limited" was considered	The Audit and Risk Management Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed the resolution and agreed to submit the resolution to the Board of the Company for consideration.	None

Corporate Governance Report

Convention date	Content of the meeting	Important comments and suggestions	Other performance of duties
30 October 2024	"Resolution on the Acquisition of 2.59% Equity Interest in Foreign Trade Financial & Leasing held by CRRC GROUP Co., Ltd. by CRRC Corporation Limited and the Related-party Transaction" was considered	The Audit and Risk Management Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed the resolution and agreed to submit the resolution to the Board of the Company for consideration.	None
6 December 2024	"Resolution on Smart Port Project of CRRC Sifang and Asset Acquisition and the Related-party Transaction" was considered	The Audit and Risk Management Committee carried out its work in strict accordance with the relevant laws, administrative regulations and departmental rules and regulations, exercised due diligence and made relevant comments based on the actual situation of the Company. After thorough discussions, it considered and passed the resolution and agreed to submit the resolution to the Board of the Company for consideration.	None

The attendance of each member is as follows:

Name of Directors	Number of attendance/ Number of meeting	Attendance rate
Weng Yiran	6/6	100%
Jiang Renfeng (resigned)	6/6	100%
Ngai Ming Tak	6/6	100%

IV. Chairman and President

To ensure the balanced distribution of power and authorization and to avoid excessive concentration of power, the positions of the chairman and the president are assumed by different persons, so as to improve independence, accountability and responsibility. The chairman and the president are two distinctly different positions, with clean division of responsibilities as set out in the Articles of Association.

As the legal representative of the Company, the chairman presides over the operations of the Board, with the aim to ensure that the Board acts in the best interests of the Company and operates effectively, performs its responsibilities accordingly and has discussion over various important and appropriate matters so that the Directors have access to accurate, timely and clear data. The president, on the other hand, leads the management and is responsible for the management of the day-to-day operations of the Company, including the implementation of the policies adopted by the Board, and reporting to the Board on the Company's overall operation. The Articles of Association set out in detail the respective responsibilities of the chairman and the president.

During the reporting period, Mr. Sun Yongcai served as the chairman of the Board of the Company and Mr. Ma Yunshuang served as the president of the Company (as at 20 March 2025).

V. Supervisors and the Board of Supervisors

The Board of Supervisors is the supervisory body of the Company, who reports to the general meeting of the Company and is responsible for supervising the Company's financial condition and compliance of the performance of duties by Directors and Senior Management, so as to protect the interests of the Company and shareholders under the laws. The Company has convened and held meetings of the Board of Supervisors in accordance with the Rules of Procedures for the Board of Supervisors and taken effective measures to ensure the Supervisors' rights to be informed. All Supervisors were able to duly discharge their respective duties and acted in the interests of the shareholders. Besides, they supervised all significant events, financial affairs of the Company as well as the legal compliance of the performance of duties by the Directors and Senior Management of the Company.

Corporate Governance Report

VI. Responsibilities of the Management

The Board is responsible for reviewing and approving the overall strategies and significant events of the Company. The Board delegates to the management of the Company to be in charge of the management of the daily operation and strategy implementation of the Company. The main responsibilities of the management include taking charge of the operation and management of the Company, organizing the implementation of the resolutions of the Board, and reporting its work to the Board. The management also organizes the implementation of the annual business and investment plans of the Company. In addition, the management proposes the annual targets and a development plan of the Company based on the national industry policies and the demand of markets and organizes the implementation of the same upon consideration and approval at the Board meetings and general meetings. The Board gives clear guidelines on the delegation to the management and regularly reviews the responsibilities delegated to the management and their performance so as to ensure the overall interest of the Group. The management of the Company submits briefing reports to the Board on a monthly basis, which set out the financial position and significant operating performance of the Company. Issues such as the significant activities and decisions in the operation and management will also be reported to the Board of Directors or Board of Supervisors by the management.

VII. Company Secretary and Training

The company secretary is responsible for organizing and completing the proceedings of the Board and general meetings, coordinating the organization of information disclosure, handling investor relations and assisting in maintaining smooth communication between the management of the Company and the Directors and shareholders. The joint company secretaries of the Company are Mr. Wang Jian and Mr. Xiao Shaoping. Mr. Wang Jian is a full-time employee of the Company and has obtained the qualification of secretary to the Board of the Shanghai Stock Exchange. Mr. Xiao Shaoping is a full-time employee of CRRC Hong Kong Capital Management Co., Ltd. (中車香港資本管理有限公司), a wholly-owned subsidiary of the Company, and holds qualifications of ACA (Chartered Accountants in England and Wales), HKICPA (Certified Public Accountant in Hong Kong) and CPA (Certified Public Accountant in China). During the reporting period, both Mr. Wang Jian and Mr. Xiao Shaoping have completed not less than 15 hours of relevant professional training.

VIII. Shareholders' Rights

(I) Convening of an extraordinary general meeting by shareholders

Pursuant to the Articles of Association, shareholders individually or collectively holding more than ten percent (10%) of the issued shares of the Company with voting rights are entitled to propose to the Board for convening the extraordinary general meeting or separate meetings of class shareholders by written request. Feedback on whether agreeing to convene the extraordinary general meeting or separate meetings of class shareholders shall be given by the Board within ten (10) days upon receipt of the request.

Shareholders proposing to convene the extraordinary general meeting or separate meetings of class shareholders by written request are entitled to propose to the Board of Supervisors for convening the extraordinary general meeting or separate meetings of class shareholders by written request upon disagreement or no feedback on convening the extraordinary general meeting or separate meetings of class shareholders from the Board of Directors within ten (10) days upon receipt of the request. Notice on convening the meeting shall be issued by the Board of Supervisors within five (5) days upon receipt of request when the Board of Supervisors agrees to convene the meeting. The Board of Supervisors is deemed not to convene and host the general meeting if notice on convening the meeting is not issued by the Board of Supervisors within the stipulated period. Shareholders individually or collectively holding more than ten percent (10%) of the shares of the Company for a consecutive period of ninety (90) days can convene and host the meeting by themselves.

(II) Putting enquiry to the Board by shareholders

Shareholders can make enquiries to the Board at any time by contacting the Board Office. Shareholders who raise enquiries shall provide evidence on their interests in the Company's shares, such as documents of shareholding. Written means such as email, facsimile and post with sufficient contact details are recommended by the Company for timely and appropriate handling and recording of the enquiries.

Contact details of the Board Office of the Company are as follows:

Tel: (8610) 5186 2188

Fax: (8610) 6398 4785

Email: crcc@crccgc.cc

Postal address: No.16-5, Central West Fourth Ring Road, Haidian District, Beijing, the PRC

Corporate Governance Report

(III) Submission of proposals to the general meetings by shareholders

Shareholders individually or collectively holding more than one percent (1%) of the shares of the Company can submit additional proposal(s) in writing to the convenor on or before ten (10) days prior to the date of the general meeting. The additional proposal(s) should be within the terms of reference of the general meeting and with explicit subject and specific matters to be resolved on. Shareholders can contact the Board Office of the Company for submitting proposal(s) to the general meeting, the contact details of which are set out in the section headed "Putting enquiry to the Board by shareholders" of this chapter.

The Board of the Company has reviewed the implementation of the Company's shareholder communication policy for 2024. Taking into account the above-mentioned communication channels, the steps taken and the events held by the Company, the Company considers that the shareholder communication policy for 2024 has been effectively implemented. Details of the steps taken and events held by the Company are set out in the chapter headed "Investor Relations" of this annual report.

IX. Significant Change in the Articles of Association during the Reporting Period

There were no material changes to the Articles of Association during the reporting period.

X. Establishment and Implementation on the Evaluation and Incentive System for the Senior Management during the Reporting Period

The Company conducts an annual evaluation on the performance of the Senior Management by focusing on the evaluation and appraisal made on work performance, personal objective and behavior as well as teamwork. The remuneration of the Senior Management, including basic salary and performance bonus, is determined based on results for the year and personal evaluations made by the Company in the year.

XI. Directors' Responsibilities in Respect of Financial Statements

The Directors confirm that they are responsible for the preparation of the financial statements of the Company for the year ended 31 December 2024, in order to truly and impartially report on the financial conditions and business results of the Company and undertake relevant responsibilities for preparation of the financial statements of the Company. The Audit and Risk Management Committee of the Company has reviewed the financial statements of the Company for the financial year ended 31 December 2024.

With the assistance of the accounting department, the Directors ensure that the financial statements of the Company are prepared in accordance with relevant laws, regulations and applicable accounting standards. The Directors also ensure that the financial statements will be published in due course.

The responsibility statement made by the Company's auditors in respect of the financial statements is set out in the section headed "Financial Report" of this annual report.

XII. Code of Conduct Regarding Securities Transactions by Directors and Supervisors

The Company has adopted the Management Method Regarding the Shareholding of Directors, Supervisors and Senior Management on terms no less exacting than the required standards of securities transaction set out in the Model Code. Relevant employees who are likely to learn inside information in relation to the securities of the Company are also subject to the rules required under such documents.

As of 31 December 2024, after making specific inquiries with all Directors and Supervisors, the Company confirmed that all Directors and Supervisors had complied with the relevant codes on securities transactions by Directors and Supervisors as set out in the Model Code and the Management Method Regarding the Shareholding of Directors, Supervisors and Senior Management of the Company.

XIII. Auditors

On 18 June 2024, the 2023 annual general meeting of the Company considered and approved the resolution in relation to the appointment of auditors of CRRC Corporation Limited for 2024 and decided to appoint KPMG Huazhen LLP as the financial report auditors and internal control auditors of the Company for the year 2024. During the past three years, the Company has not changed its auditors.

In 2024, the Company paid the auditors an aggregate fee (tax inclusive) of RMB29.6 million, which included advance payments such as travel expenses and communication costs etc. In particular, the audit fees (tax inclusive) paid in respect of financial statements amounted to RMB27.6 million, audit fees (tax inclusive) paid in respect of internal control amounted to RMB2 million.

KPMG Huazhen LLP, the auditors of the Company for the year 2024, is a Public Interest Entity Auditor recognized in accordance with the Accounting and Financial Reporting Council Ordinance.

XIV. Risk Management and Internal Control

Based on the Company's core values, the Company has defined a unified risk concept, and through the combination of training and system promotion, the Company has continuously created a risk management culture that strictly implements risk management and internal control processes and has formed a good working environment and atmosphere for risk internal control. The Company has established a Three Defense Lines for risk management and has established a "classification, layering and centralized management and control" model for major risks. In order to guarantee standardized development and systematic implementation of risk management and internal control, the Company has continuously established and improved its risk management system. So far, two basic risk management systems have been formulated and 72 internal control guidelines and guidebooks for risk management and internal control have been released.

Corporate Governance Report

The Company has established appropriate policies and monitoring procedures to ensure that no assets will be used or disposed of without authorization. The Company maintains reliable financial and accounting records in accordance with relevant accounting standards and regulatory reporting procedures, and properly identifies major risks which may affect the Company's performance and reasonably ensures that the level of risk is within the acceptable scope of the Company. The Company embeds risk management and internal control into daily business management activities and major project decision-making processes, and establishes an all-round risk management and control mechanism, i.e., pre-assessment and control of major risks, dynamic in-process control, post-control response evaluation, and rectification. The Company establishes a relatively complete internal control organization, working system and processes, and uses a closed-loop mechanism of "process streamlining-internal control assessment-defect identification-defect rectification", and internal control self-evaluation and internal control audit work are carried out.

The Board is responsible for ongoing supervision of the Company's risk management and internal control and shall ensure that the risk management and internal control of functional departments and affiliated entities of the Company shall be assessed at least annually. The Board shall ensure that the risk management and internal control is assessed on sufficiency of resources, staff qualification and experience, relevant training and relevant budget on an annual basis. The Company has disclosed the risk management and internal control assessment in compliance with the relevant requirements under the Guidelines on Comprehensive Risk Management of Central Enterprises, the Basic Practices of Internal Control of Enterprises and the Hong Kong Listing Rules, etc.

The Company has established its internal auditing function, and the Board is responsible for supervising the Company's risk management and internal control systems and reviewing their effectiveness through the Audit and Risk Management Committee. The Audit and Risk Management Committee shall assist the Board in the performance of its supervision of the Company's resources in finance, operation, compliance, risk management and internal control and financial and internal auditing functions as well as its role in corporate governance.

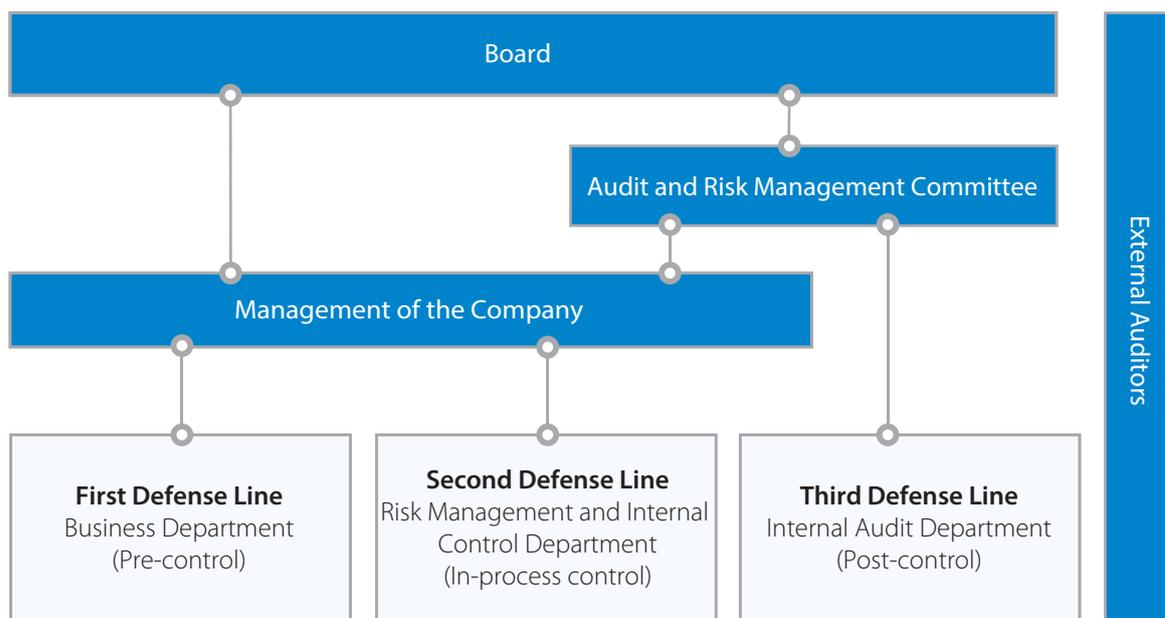
The Company has established a clearly defined organization structure with proper authorization and has strict rules of procedure and reporting procedures in place. The Audit Risk Department of the Company assists the Board and the Audit and Risk Management Committee in the ongoing supervision and improvement of the effectiveness of the risk management and internal control systems. The Board is regularly informed of material risks which may affect the Company's performance through the Audit and Risk Management Committee.

The Board is responsible for the risk management and internal control systems mentioned above and is responsible for reviewing the effectiveness of such systems. The Board further clarifies that the abovementioned systems were established to manage rather than eliminate the risk of failure to achieve business objectives and can only provide a reasonable but not absolute assurance against misstatement or loss.

The Company regulates the handling and dissemination of inside information in accordance with the obligation policy and various supplementary procedures of the Company so that inside information remains confidential until their disclosure is duly approved, and such information can be published effectively and consistently.

Corporate Governance Report

The risk management and internal control structure of the Company is guided under the following “Three Defense Lines (三道防線)” model.



The risk management and internal control department of the Company organizes the functional departments and affiliated entities of the Company to conduct annual internal control and risk assessment and report to the Audit and Risk Management Committee annually on a regular basis. The functional departments and affiliated entities of the Company implement responding measures in respect of material risks in accordance with their respective responsibilities and report to the risk management and internal control department of the Company annually. Matters to be assessed include, among other things, risk management and internal control work scope of operation management, reporting of risk management and internal control work by operation management to the Board or the Audit and Risk Management Committee, changes in nature and severity of material risks subsequent to review in the previous year, the Company’s abilities to respond to business transformation and changes in external environment and assessment on material risk management and internal control errors or material risk management and internal control defects identified during the period.

The Audit Risk Department of the Company reports to the Audit and Risk Management Committee on a regular basis, including annual work plan, important audit report, material risks and responding measures implemented.

The Audit Risk Department of the Company carries out the work based on risks and problems. The annual work plan of the Audit Risk Department of the Company covers the Company’s operation, business and finance and major procedures of its affiliated entities and reports the audit findings to the Board and management of the Company. The Audit Risk Department of the Company urges relevant entities to rectify the problems identified in the audit process and reports the progress of rectification to the Audit and Risk Management Committee and the management on a regular basis.

Corporate Governance Report

The Audit Risk Department of the Company reports the sufficiency and effectiveness of its monitoring to the Board, the Audit and Risk Management Committee, the president and chief finance officer of the Company.

The management of the Company, with assistance of the risk management and internal control department and the internal audit department, is responsible for the design, implementation and monitoring of the risk management and internal control systems and submitting the report on the effectiveness of risk management and internal control to the Board and the Audit and Risk Management Committee.

The Company has adopted various policies and procedures to evaluate and enhance the effectiveness of the risk management and internal control systems, including requiring the management of the Company to conduct assessment on a regular basis and control the risks at a level which is acceptable to the Company to ensure that the risk management and internal control systems operate effectively, which the Company believes will enhance the future corporate governance and improve the risk management and internal control capacities of the Company.

The Company has integrated risk management and internal control into its daily operations. The functional departments and affiliated entities of the Company continuously conduct risk assessment, formulate risk management strategies and risk responding measures, assess residual risk and report risk events and responding measures implemented to the risk management and internal control department of the Company on a seasonal basis. The Audit Risk Department of the Company summarizes the possibility and effect of risk events, analyses the effectiveness of risk management strategies and responds measures and reports to the management and the Board of the Company on a regular basis.

In 2024, the risk management and internal control department of the Company organized various departments and affiliated entities to continuously conduct risk management and internal control activities to improve the effectiveness of risk management and internal control, including but not limited to the following: organized and conducted annual risk assessment and response management; organized and conducted annual internal control evaluation; carried out risk management and internal control consultation in respect of its affiliated entities in order to improve their risk management and internal control capacities; focused on risk evaluation of significant investment, overseas merger & acquisition, export-related project, new industry expansion, finance and finance-like, and PPP projects. The Audit Risk Department submitted the latest report on risk management and internal control to the Board and the Audit and Risk Management Committee during the year and assisted the Directors in reviewing the effectiveness of the risk management and internal control systems of the Company.

In 2024, the internal audit department of the Company carried out special inspection and monitoring on the effectiveness of the risk management and internal control systems of the Company in terms of finance, operation and compliance monitoring and reported the relevant findings to the management and the Board of the Company.

Corporate Governance Report

The Audit and Risk Management Committee and the Board have not identified any risk event which materially affects the Company's financial condition or operating results and consider that the risk management and internal control systems are reasonably designed and operated effectively, and there are sufficient resources, staff qualification and experience for accounting, internal audit and financial reporting functions as well as sufficient staff training programs and budget.

In addition to monitoring and inspection of the risk management and internal control implemented by the Company, external auditors also evaluate the sufficiency and effectiveness of the risk management and internal control of the Company as part of its statutory audit. The Company will adopt the relevant recommendations of external auditors to enhance its risk management and internal control.

In 2024, KPMG Huazhen LLP audited the financial statements and the effectiveness of relevant internal control of the Company and issued an audit report with unqualified opinion. The relevant report has been reviewed and approved by the Audit and Risk Management Committee.

XV. Dividend Policy

Pursuant to the Articles of Association, the specific policy for dividend distribution of the Company is as follows:

1. When formulating a dividend distribution plan, the Company takes into account the interests of shareholders and development needs of the Company;
2. The Company maintains a stable dividend level every year, and the cumulative profit distributed during the last three years is not less than 45% of the profits available for distribution in the last three years;
3. The Company prefers to distribute dividends in cash, and only considers non-cash dividends when special and significant investment needs arise.

XVI. Corporate Culture

CRRC is an established enterprise with rich culture and a history dating back to 1881. The Company attaches great importance to the construction and inheritance of corporate culture, with "connecting the world and benefiting mankind" as its mission, "becoming a first-class enterprise group with rail transit equipment as the core and a global leader with multinational operations" as its vision, and "conduct, righteousness, skillfulness and pursuit of excellence" as its core values. The Company is committed to sustainable development, and is dedicated to providing green, intelligent and user-friendly products and services through rational deployment and efficient utilization of resources, thereby promoting affective communication, facility connectivity, unimpeded trade and financing access, in order to realize the ideals of promoting social development and a better life.

Corporate Governance Report

The Company believes that a healthy corporate culture is an endogenous force for corporate development, and all Directors must act with integrity and set an example to promote the corporate culture and guide all employees to establish the concept of "Compliance Being Our Core Competitiveness". The Company has set up a sound corporate culture system, prepared an established corporate culture training program, focused on creating the cultural heritage project of "embodying six elements in one", and vigorously implemented a cultural "BI Upgrading Project" to make leanness, compliance, quality, safety and responsibility a consensus. The Company is committed to letting all the management and employees perceive, recognize and practice the corporate culture, so that the corporate culture is internalized in the heart and externalized in the mindset and behavior of each employee, so that our customers, partners, investors and suppliers can benefit from the values we create together.

XVII. Anti-Corruption Policy and Whistleblowing Policy

The Company has continuously strengthened Party ethics and integrity construction and anti-corruption work and has always maintained a strict stance in anti-corruption by upholding integrity and discipline, so as to create a clean and upright political ecology and a high-spirited working environment. The Company organized and convened annual meetings on Party ethics and integrity construction and anti-corruption work, deployed and consolidated responsibilities at all levels, and implemented the requirements of strictly enforcing Party discipline in a comprehensive manner throughout the entire production and operation process of the Company. In 2024, the Company organized and convened two awareness education sessions for cadres of CRRC with nearly 12,000 participants. In order to effectively safeguard the supervisory rights of employees and the public, the Company has established various methods such as whistleblowing box, email and a reporting telephone line to facilitate reporting, promptly address issues and leads reported by the employees, continuously strengthen the network of work style supervision, and effectively advance the in-depth development of the Company's party conduct and integrity construction as well as anti-corruption work.

Investor Relations

In 2024, the Company adhered to the principles of “truthful, accurate, complete, timely and fair” information disclosure, continued to optimize information disclosure and investor communication, build a positive, honest, transparent and interactive investor relationship, deliver information on the Company’s operations and development status and the progress of its major projects to the capital market, and widely listen to the opinions and suggestions of various investors regarding the Company.

The Company implemented proactive investor relations management to establish a regular interaction mechanism with various parties of the capital market. Firstly, the Company has dynamically updated the investor profile and the capital market analyst database, regularly analyzed the shareholder structure of the Company and the hot topics for investors, thereby improving the foundation for investor communication information. Secondly, the Company has ensured daily monitoring of capital market dynamics and public sentiment, and compiled and published media monitoring daily reports, capital market daily reports and important public relations event analyses to provide timely and accurate information support to our directors, supervisors and senior management. Thirdly, the Company has continued to optimize a dedicated investor communication mechanism, with dedicated personnel responsible for answering investors’ phone calls, receiving investors’ emails, paying attention to questions on the E-interaction platform, and responding patiently and promptly to issues of investors’ concern. Fourthly, the Company has strengthened its market capitalization management capability building by holding quarterly market capitalization management meetings, analyzing capital market dynamics, tracking institutional research and media insights, enhanced internal and external information communication and work collaboration, and regularly provided special reports on market capitalization management to the operations team of the Company.

The Company organized multi-level performance promotion activities to facilitate communication with various domestic and foreign investors, taking into account regular report disclosures. Firstly, the Company completed a series of offline activities for annual and interim results release. In April, the President of the Company led a team to Hong Kong to hold the annual results presentation and roadshows. In September, the senior management of the Company went to Beijing, Shanghai and other cities to carry out the interim results presentations and roadshows and conducted in-depth exchanges with dozens of domestic and foreign investment organizations regarding the operational results of the Company, opportunities faced, and development prospects. Secondly, the Company has held four regular conference calls on results reporting to make timely briefing on the regular reports of the Company to brokers, analysts and institutional investors and introduction of the operational performance and market expansion of the Company, etc. Thirdly, the Company held 3 results briefing sessions, which were attended by the Chairman, President, independent Directors, Chief Financial Officer and Secretary of the Board, and interacted with public investors via the Internet, responding to issues of concern to capital market investors. Fourthly, the Company seriously received various institutional investors for online and offline visits and research, and held the 2024 reverse roadshow in Qingdao in July, inviting dozens of investors, brokers and analysts to visit the national engineering laboratory and the EM assembly workshop. The senior management and technical experts of the Company engaged in discussions with attendees about the development trends of rail transit equipment, technological breakthroughs and corporate management, enhancing understanding and confidence of the investors and analysts in the Company.

Investor Relations

The Company has strengthened brand building to promote value communication and enhance investors' recognition of the brand of the Company. The Company has continued to optimize the system mechanisms for information disclosure and media relations management, and has demonstrated the Company's operating results and conveyed its value via multiple channels in a comprehensive manner by means of press releases in mainstream financial media and the official WeChat account, visualization of long-form charts in periodic reports, and results promotion posters. At the same time, the Company has focused on hot topics of the market and publicized in a timely manner the breakthrough achievements of the Company to the market through various channels and means such as new media platforms, so as to enhance the brand recognition of the Company among investors. In addition, the Company has participated in the event "Let's Research Together" co-organized by the Shanghai Stock Exchange and CCTV Finance Channel, vividly telling the "CRRC's story" to a wide range of investors.

Over the past year, the Company's efforts have been widely recognized by the capital market, regulatory authorities and professional organizations: the Company has been awarded Grade A in the evaluation of information disclosure of listed companies on the Shanghai Stock Exchange for nine consecutive years. The Company won "Top 100 Listed Companies on Main Board" Award at the 18th China Listed Company Value Evaluation, the "Tianma Award" at the 15th Investor Relations of Listed Companies in China, the "Highest Investment Value Award", the "Outstanding Entrepreneur Award", the "Golden Bull Board Secretary Award" and the "Golden Information Disclosure Award" at the "Listed Company Golden Bull Award 2023", the Best Practice Case of Office of Board of Directors from the China Association for Public Companies, and the Gold Award in 2023 Vision Awards Annual Report Competition held by League of American Communications Professionals LLC, etc.

Changes in Shares and Particulars of Shareholders

I. Changes in Share Capital

(I) Changes in ordinary shares

During the reporting period, all the issued shares of the Company were ordinary shares, and there were no changes in the total number of ordinary shares and share capital structure.

(II) Changes in shares subject to trading moratorium

During the reporting period, there were no changes in the restricted shares of the Company.

II. Particulars of Shareholders and Ultimate Controller

(I) Total number of shareholders

Total number of shareholders of ordinary shares as of the end of the reporting period (shareholder) ^{Note}	514,816
Total number of shareholders of ordinary shares as at the end of the last month before the disclosure date of the annual report (shareholder)	519,442

Note 1: As of the end of the reporting period, the Company had 512,719 holders of A Shares and 2,097 holders of H Shares.

Note 2: As of the end of the month prior to the date of the annual report, the Company has 517,356 holders of A Shares and 2,086 holders of H Shares.

Changes in Shares and Particulars of Shareholders

(II) Shareholdings of the top ten shareholders and the top ten holders of tradeable shares (or holders of shares not subject to trading moratorium) as at the end of the reporting period

Unit: share

Shareholdings of the top ten shareholders (excluding shares lent through the refinancing business)

Name of shareholder	Change during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Shares pledged, marked or frozen			Nature of shareholder
				Number of shares subject to trading moratorium held	Pledged, marked or frozen	Number	
CRRCG ^{Note 1}	15,000,000	14,587,578,250	50.83	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED ^{Note 2}	-35,739	4,358,651,541	15.19	0	Unknown	-	Overseas legal person
Hong Kong Securities Clearing Company Limited	374,480,208	880,096,291	3.07	0	Unknown	-	Overseas legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	0	605,663,637	2.11	0	Unknown	-	State-owned legal person
Central Huijin Asset Management Ltd. (中央匯金資產管理有限公司)	0	298,064,400	1.04	0	Unknown	-	State-owned legal person
Bosera Funds - Agricultural Bank of China - Bosera China Securities and Financial Assets Management Plan (博時基金-農業銀行-博時中證金融資資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
E Fund - Agricultural Bank of China - E Fund China Securities and Financial Assets Management Plan (易方達基金-農業銀行-易方達中證金融資資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
Dacheng Fund - Agricultural Bank of China - Dacheng China Securities and Financial Assets Management Plan (大成基金-農業銀行-大成中證金融資資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
Harvest Fund - Agricultural Bank of China - Harvest China Securities and Financial Assets Management Plan (嘉實基金-農業銀行-嘉實中證金融資資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
GF Fund - Agricultural Bank of China - GF China Securities and Financial Assets Management Plan (廣發基金-農業銀行-廣發中證金融資資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
Zhong'ou Asset - Agricultural Bank of China - Zhong'ou China Securities and Financial Assets Management Plan (中歐基金-農業銀行-中歐中證金融資資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
China AMC - Agricultural Bank of China - China AMC China Securities and Financial Assets Management Plan (華夏基金-農業銀行-華夏中證金融資資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown

Changes in Shares and Particulars of Shareholders

Shareholdings of the top ten shareholders (excluding shares lent through the refinancing business)

Name of shareholder	Change during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Shares pledged, marked or frozen			
				Number of shares subject to trading moratorium held	Pledged, marked or frozen	Number	Nature of shareholder
Yinhua Fund – Agricultural Bank of China – Yinhua China Securities and Financial Assets Management Plan (銀華基金－農業銀行－銀華中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
China Southern Asset Management – Agricultural Bank of China – China Southern Asset Management China Securities and Financial Assets Management Plan (南方基金－農業銀行－南方中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
ICBCCS Fund – Agricultural Bank of China – ICBCCS China Securities and Financial Assets Management Plan (工銀瑞信基金－農業銀行－工銀瑞信中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown

Shareholdings of the top ten shareholders not subject to trading moratorium (excluding shares lent through the refinancing business)

Name of shareholders	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
CRRCG ^{Note 1}	14,587,578,250	Ordinary shares denominated in RMB	14,587,578,250
HKSCC NOMINEES LIMITED ^{Note 2}	4,358,651,541	Overseas listed foreign shares	4,358,651,541
Hong Kong Securities Clearing Company Limited	880,096,291	Ordinary shares denominated in RMB	880,096,291
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	605,663,637	Ordinary shares denominated in RMB	605,663,637
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	298,064,400	Ordinary shares denominated in RMB	298,064,400
Bosera Funds – Agricultural Bank of China – Bosera China Securities and Financial Assets Management Plan (博時基金－農業銀行－博時中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
E Fund – Agricultural Bank of China – E Fund China Securities and Financial Assets Management Plan (易方達基金－農業銀行－易方達中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900

Changes in Shares and Particulars of Shareholders

Shareholdings of the top ten shareholders not subject to trading moratorium (excluding shares lent through the refinancing business)

Name of shareholders	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities and Financial Assets Management Plan (大成基金－農業銀行－大成中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Harvest Fund – Agricultural Bank of China – Harvest China Securities and Financial Assets Management Plan (嘉實基金－農業銀行－嘉實中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
GF Fund – Agricultural Bank of China – GF China Securities and Financial Assets Management Plan (廣發基金－農業銀行－廣發中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Zhong'ou Asset – Agricultural Bank of China – Zhong'ou China Securities and Financial Assets Management Plan (中歐基金－農業銀行－中歐中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
China AMC – Agricultural Bank of China – China AMC China Securities and Financial Assets Management Plan (華夏基金－農業銀行－華夏中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Yinhua Fund – Agricultural Bank of China – Yinhua China Securities and Financial Assets Management Plan (銀華基金－農業銀行－銀華中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
China Southern Asset Management – Agricultural Bank of China – China Southern Asset Management China Securities and Financial Assets Management Plan (南方基金－農業銀行－南方中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
ICBCCS Fund – Agricultural Bank of China – ICBCCS China Securities and Financial Assets Management Plan (工銀瑞信基金－農業銀行－工銀瑞信中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900

Changes in Shares and Particulars of Shareholders

Explanations of the repurchase of special accounts among the top 10 shareholders	N/A
Explanation of the above-mentioned shareholders' entrusted voting rights, been entrusted voting rights, and waiver of voting rights	N/A
Details relating to the related relationship of the above shareholders or the parties acting in concert	N/A
Explanations on the shares and voting rights restored of preferred shareholders	N/A

Note 1: As of the end of the reporting period, CRRCG in aggregate held 14,765,441,250 shares (including 14,587,578,250 A shares and 177,863,000 H shares) in total, representing approximately 51.45% of the total number of issued shares of the Company. All of the 177,863,000 H shares held by CRRCG were registered under the name of HKSCC NOMINEES LIMITED.

Based on its recognition of the corporate value and confidence in the sustainable and stable development of the Company in the future, CRRCG has decided to increase its shareholdings in the A shares of the Company by the means as permitted by the trading system of the Shanghai Stock Exchange within 6 months from 30 October 2023, with the amount not less than RMB150 million and not more than RMB300 million. During the period from 30 October 2023 to 29 April 2024, CRRCG accumulatively increased its shareholding in the A shares of the Company by a total of 29,188,800 shares, representing approximately 0.1% of the total number of issued shares of the Company, through the trading system of the Shanghai Stock Exchange by way of centralized bidding, with the total amount of such increase being approximately RMB155.48 million. As at 29 April 2024, the period for implementation of the shareholding increase plan has expired and the implementation was completed. As at the completion date of implementation of the shareholding increase plan, CRRCG held 14,587,578,250 A shares and 177,863,000 H shares (registered in the name of HKSCC NOMINEES LIMITED) of the Company, amounting to 14,765,441,250 shares of the Company, representing approximately 51.45% of the total issued share capital of the Company. Details of the relevant plans, progress and implementation result of the share increase are set out in the announcements of the Company dated 30 October 2023, 31 October 2023, 16 November 2023, 23 January 2024 and 30 April 2024.

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

Strategic investors or ordinary legal persons who became top ten shareholders due to placing of shares

During the reporting period, there were no strategic investors or ordinary legal persons who became top ten shareholders due to placing of shares.

Changes in Shares and Particulars of Shareholders

(III) Shareholding interests of Directors, Supervisors and Chief Executive

As at 31 December 2024, the following Director had interests in the A shares of the Company and relevant details are set out as follows:

Name	Position	Nature of interest	Class of shares	Number of shares
Sun Yongcai	Chairman and Executive Director	Beneficial owner	A shares	111,650

Save as disclosed above, as at 31 December 2024, none of the Directors, Supervisors and chief executive of the Company had interests and short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be entered in the register maintained by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code by the Directors or Supervisors.

(IV) Substantial shareholders' interests and short positions in the Company

As at 31 December 2024, the persons set out in the table below had interests in the Company's shares as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity	H shares or A shares	Nature of interest	Number of H shares or A shares held	Percentage of H shares or A shares held in the total issued H shares or total issued A shares (%)	Percentage of total share capital of the Company (%)
CRRC GROUP Co., Ltd.	Beneficial owner	A Shares	Long position	14,587,578,250	59.96	50.83
	Beneficial owner	H Shares	Long position	177,863,000	4.07	0.62
BlackRock, Inc.	Interest in corporations controlled by the substantial shareholder	H Shares	Long position	224,458,085	5.14	0.78
	Interest in corporations controlled by the substantial shareholder	H Shares	Short position	11,951,000	0.27	0.04

Save as disclosed above, as far as the Directors are aware, as at 31 December 2024, no other person had interests and/or short positions in the shares or underlying shares (as the case may be) of the Company which were required to be recorded in the register pursuant to section 336 of Part XV of the SFO, or was otherwise a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.

Changes in Shares and Particulars of Shareholders

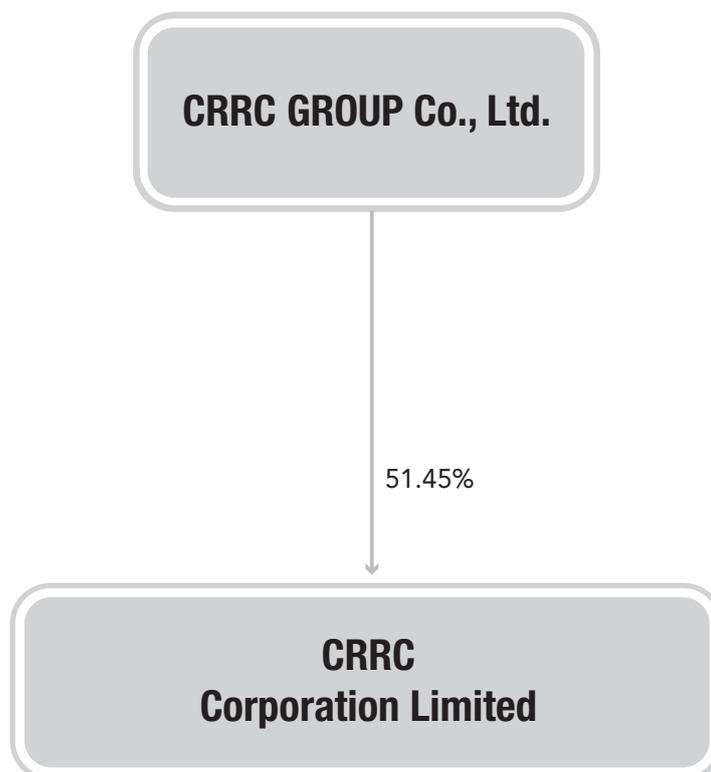
III. Particulars of Controlling Shareholder and the Ultimate Controller

(I) Controlling shareholder

1. Legal person

Name	CRRC GROUP Co., Ltd. (中國中車集團有限公司)
Responsible personnel or legal representative	Sun Yongcai
Establishment date	1 July 2002
Principal business	Research and development, manufacturing, sales, refurbishment and leasing of locomotives, passenger carriages, freight wagons, MUs, rapid transit vehicles and key components as well as other businesses that utilize proprietary rolling stock technologies.
Equity interest in other controlling and investee companies listed in the PRC or overseas during the reporting period	As of 31 December 2024, CRRCG directly holds 14,783,251 shares of Guiyang Bank Co., Ltd. (601997). As of 31 December 2024, a subsidiary under CRRCG directly holds 226,586,955 shares of Vontron Technology Co., Ltd. (000920).

2. Framework of ownership and controlling relationship between the Company and the controlling shareholder as at the end of the reporting period



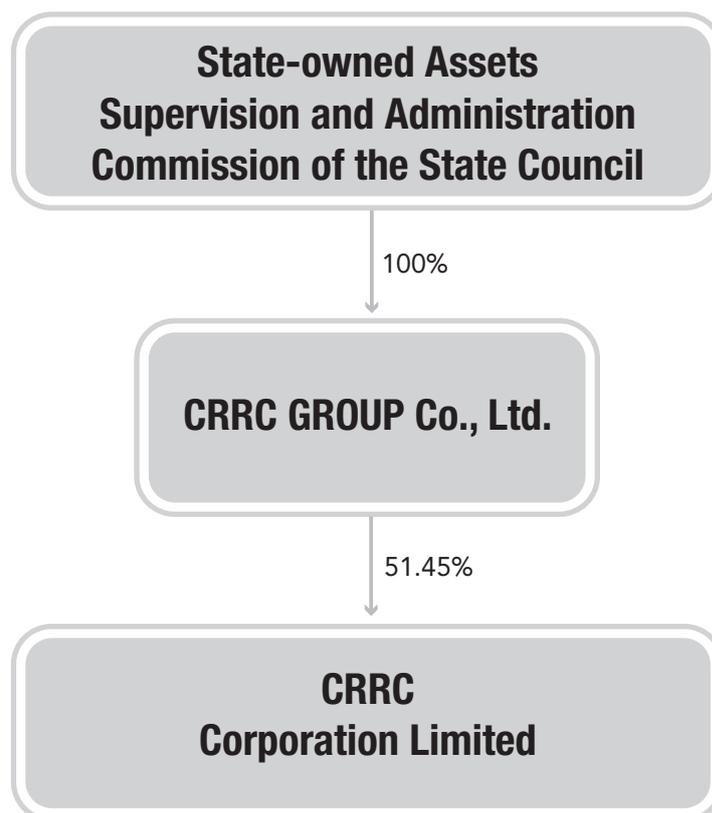
Changes in Shares and Particulars of Shareholders

Note: As of the end of the reporting period, CRRCG in aggregate held 14,765,441,250 shares (including 14,587,578,250 A shares and 177,863,000 H shares) in total, representing approximately 51.45% of the total number of issued shares of the Company. All of the 177,863,000 H shares held by CRRCG were registered under the name of HKSCC NOMINEES LIMITED.

Based on its recognition of the corporate value and confidence in the sustainable and stable development of the Company in the future, CRRCG has decided to increase its shareholdings in the A shares of the Company by the means as permitted by the trading system of the Shanghai Stock Exchange within 6 months from 30 October 2023, with the amount not less than RMB150 million and not more than RMB300 million. During the period from 30 October 2023 to 29 April 2024, CRRCG accumulatively increased its shareholding in the A shares of the Company by a total of 29,188,800 shares, representing approximately 0.1% of the total number of issued shares of the Company, through the trading system of the Shanghai Stock Exchange by way of centralized bidding, with the total amount of such increase being approximately RMB155.48 million. As at 29 April 2024, the period for implementation of the shareholding increase plan has expired and the implementation was completed. As at the completion date of implementation of the shareholding increase plan, CRRCG held 14,587,578,250 A shares and 177,863,000 H shares (registered in the name of HKSCC NOMINEES LIMITED) of the Company, amounting to 14,765,441,250 shares of the Company, representing approximately 51.45% of the total issued share capital of the Company. Details of the relevant plans, progress and implementation result of the share increase are set out in the announcements of the Company dated 30 October 2023, 31 October 2023, 16 November 2023, 23 January 2024 and 30 April 2024.

(II) Ultimate controller

1. The ultimate controller of the Company is the SASAC.
2. Framework of ownership and controlling relationship between the Company and the ultimate controller



Changes in Shares and Particulars of Shareholders

Note: As of the end of the reporting period, CRRCG in aggregate held 14,765,441,250 shares (including 14,587,578,250 A shares and 177,863,000 H shares) in total, representing approximately 51.45% of the total number of issued shares of the Company. All of the 177,863,000 H shares held by CRRCG were registered under the name of HKSCC NOMINEES LIMITED.

Based on its recognition of the corporate value and confidence in the sustainable and stable development of the Company in the future, CRRCG has decided to increase its shareholdings in the A shares of the Company by the means as permitted by the trading system of the Shanghai Stock Exchange within 6 months from 30 October 2023, with the amount not less than RMB150 million and not more than RMB300 million. During the period from 30 October 2023 to 29 April 2024, CRRCG accumulatively increased its shareholding in the A shares of the Company by a total of 29,188,800 shares, representing approximately 0.1% of the total number of issued shares of the Company, through the trading system of the Shanghai Stock Exchange by way of centralized bidding, with the total amount of such increase being approximately RMB155.48 million. As at 29 April 2024, the period for implementation of the shareholding increase plan has expired and the implementation was completed. As at the completion date of implementation of the shareholding increase plan, CRRCG held 14,587,578,250 A shares and 177,863,000 H shares (registered in the name of HKSCC NOMINEES LIMITED) of the Company, amounting to 14,765,441,250 shares of the Company, representing approximately 51.45% of the total issued share capital of the Company. Details of the relevant plans, progress and implementation result of the share increase are set out in the announcements of the Company dated 30 October 2023, 31 October 2023, 16 November 2023, 23 January 2024 and 30 April 2024.

IV. Other Corporate Shareholders with Over 10% Shareholdings

There were no other corporate shareholders holding over 10% shares of the Company as of the end of the reporting period.

V. Sufficient Public Float

As at the latest practicable date prior to the printing of this annual report, based on public information and as far as the Directors are aware, the Directors believe that the Company has sufficient public float which satisfies the minimum public float requirement under Rule 8.08 of the Hong Kong Listing Rules.

VI. Purchase, Sale or Redemption of Securities of the Company

During the year ended 31 December 2024, the Company or any of its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company (including the sale of treasury shares as defined under the Hong Kong Listing Rules). For the year ended 31 December 2024, the Company did not hold any such treasury shares.

Significant Events

I. Performance of Undertakings

Undertakings by relevant parties of undertakings, such as actual controller, shareholders, related parties, acquirer and the Company, during or up to the reporting period

Background	Type	Covenantors	Undertakings	Validity date	Whether duration specified	Validity period	Whether timely and strictly performed	If not performed timely, describe the specific reasons	If not performed timely, describe plans in next steps
Material assets reorganization related commitment	Resolution of same industry competitions	CRRC	Non-competition undertaking with Times Electric: on 5 August 2015, CRRC issued the Letter of Undertaking of Non-competition with Zhuzhou CSR Times Electric Co., Ltd. (《關於避免與株洲南車時代電氣股份有限公司同業競爭的承諾函》) in order to resolve the issue of competition between CRRC and Times Electric after the merger between CSR and CNR. The specific undertakings are as follows: the current operations of CRRC in fields such as transmission control systems, network control systems, traction power supply system, braking system, track construction machinery, electronic components and vacuum sanitation system compete with the operations of Times Electric, which is indirectly controlled by the Company. To safeguard the interests of Times Electric in its future development, in accordance with relevant laws and regulation, CRRC undertook that with respect to the operations of CRRC that compete with the operations of Times Electric: (1) CRRC will grant Times Electric a call option, pursuant to which Times Electric will be entitled to elect, at its own discretion, when to request CRRC to sell the competing businesses of CRRC to Times Electric; (2) CRRC will further grant Times Electric a pre-emptive right, pursuant to which if CRRC proposes to sell the competing business to an independent third party, CRRC shall offer to Times Electric the competing business first on the same terms and conditions, and the sale to an independent third party may only be effective after Times Electric refuses to purchase the competing business; (3) the decision of Times Electric to exercise the aforesaid call option and the preemptive right shall be made by the independent non-executive directors of Times Electric; (4) the exercise of the aforesaid call option and the pre-emptive right as well as other effective methods to resolve this competition matter will be subject to the applicable regulatory and disclosure requirements and shareholders' approval at the general meeting in the places of listing of CRRC and Times Electric respectively; and (5) the non-competition undertaking will be effective from the date of issuance of this letter of undertaking to the time when Times Electric is delisted or CRRC ceases to be an indirect controlling shareholder of Times Electric.	5 August 2015	No	from the date of issuance of this letter of undertaking to the time when Times Electric is delisted or CRRC ceases to be an indirect controlling shareholder of Times Electric	Yes	-	-

Significant Events

Background	Type	Covenants	Undertakings	Validity date	Whether duration specified	Validity period	Whether timely and strictly performed	If not performed timely, describe the specific reasons	If not performed timely, describe plans in next steps
	Resolution of same industry competitions	CRRCG	Non-competition undertaking with CRRC: CNRG issued the Letter of Undertaking of Non-competition with CRRC Corporation Limited (《關於避免與中國中車股份有限公司同業競爭的承諾函》) on 5 August 2015 in order to avoid competition between CNRG (which has completed restructuring and been renamed as CRRCG) and CRRC after completion of merger of CNRG with CSRG. Pursuant to the Letter of Undertaking: CRRCG undertook that CRRCG itself will not engage, and will, through legal procedures, procure its wholly-owned and non-wholly-owned subsidiaries to not engage in any businesses which might directly compete with the current operating businesses of CRRC; subject to the aforesaid undertaking (1), if CRRCG (including its wholly-owned subsidiaries and non-wholly-owned subsidiaries or other related entities) provide any products or services that might be in competition with the principal products or services of CRRC in the future, CRRCG will agree to grant CRRC pre-emptive right to acquire the assets or its entire equity interests in such subsidiaries related to such products or services from CRRCG; (3) subject to the aforesaid undertaking (1), CRRCG may develop advanced and lucrative projects in the future which fall within the business scope of CRRC, but it should preferentially transfer any achievement on such projects to CRRC for its own operation on equal terms of transfer; and (4) CRRCG should compensate CRRC for its actual losses arising from any failure to comply with the aforesaid undertakings.	5 August 2015	No	during the course of performance	Yes	-	-
	Others	CRRCG	Undertaking to maintain the independence of CRRC: CNRG issued the Letter of Undertaking to Maintain the Independence of CRRC Corporation Limited (《關於保持中國中車股份有限公司獨立性的承諾函》) on 5 August 2015 in order to ensure that CNRG (which has completed restructuring and been renamed as CRRCG) will not interfere with the independence of CRRC after completion of the merger of CNRG with CSRG. Pursuant to the Letter of Undertaking: CRRCG undertook to be separate from CRRC in respect of areas such as assets, personnel, finance, organization and business and will, in strict compliance with the relevant requirements on the independence of a listed company imposed by the CSRC, not to use its position as the controlling shareholder to violate the standardized operation procedures of a listed company to intervene in the operating decisions of CRRC and to damage the legitimate interests of CRRC and other shareholders. CRRCG and other companies under its control undertook not to, by any means, use the funds of CRRC and companies under its control.	5 August 2015	No	during the course of performance	Yes	-	-

Significant Events

Background	Type	Covenants	Undertakings	Validity date	Whether duration specified	Validity period	Whether timely and strictly performed	If not performed timely, describe the specific reasons	If not performed timely, describe plans in next steps
	Resolution of related-party transactions	CRRCG	Undertaking for regulating related-party transactions with CRRC: in order to regulate related-party transactions entered into between CNRG (which has completed the restructuring and been renamed as CRRCG) and CRRC after the merger between CNRG and CSRG, CNRG issued the Letter of Undertaking to Regulate the Related-party Transactions with CRRC Corporation Limited (《關於規範與中國中車股份有限公司關聯交易的承諾函》) on 5 August 2015, pursuant to which CRRCG and other companies controlled by CRRCG will endeavor not to enter into or reduce the related-party transactions with CRRC and other companies in which it holds a controlling interest. For related-party transactions that are inevitable or reasonable, CRRCG will continue to perform the obligations under the related-party transaction framework agreements entered into between CRRCG and CRRC and will comply with the approval procedures and information disclosure obligations in accordance with the relevant laws and regulations as well as the provisions under the Articles of Association of CRRC. Prices of the related-party transactions will be determined based on prices of the same or comparable transactions conducted with other independent third parties.	5 August 2015	No	during the course of performance	Yes	-	-
Undertakings in relation to the initial public issuance	Others	CRRCG	Undertakings on property ownership issues: CSR (which has completed merger and been renamed as CRRC) disclosed in its prospectus that CSR has not yet obtained proper property ownership certificates for 326 properties with a total gross floor area of 282,019.03 square meters, representing 7.85% of the total gross floor area of the property in use of CSR. As at 31 December 2024, there were still 3 properties with a total gross floor area of 1,788.67 square meters which failed to apply for property ownership certificates due to historical reasons. As for the property for which CSR has not yet obtained property ownership certificates, CSRG has made a written undertaking which was inherited by CRRCG after the merger. Pursuant to the undertaking: for properties that could not obtain complete property ownership certificates due to reasons such as incomplete procedures in planning and constructions and, which were included in the asset injection to CRRC by CRRCG, CRRCG undertook that such properties satisfy the usage requirements necessary for the production and operations of CRRC. Moreover, if there is any loss incurred to CRRC due to such properties, CRRCG shall undertake all compensation liabilities and all economic losses that CRRC incurred.	18 August 2008	No	during the course of performance	Yes	-	-

Significant Events

Background	Type	Covenants	Undertakings	Validity date	Whether duration specified	Validity period	Whether timely and strictly performed	If not performed timely, describe the specific reasons	If not performed timely, describe plans in next steps
	Others	CRRCG	Undertakings on the state-owned land use certificate without specifying the land use terms or termination date: CNR (the relevant matters were inherited by CRRC after the merger) disclosed in the prospectus that the land use terms or termination date were not specified in the state-owned land use certificate for part of the authorized lands acquired by CNR. As such, CNRG (which has completed restructuring and been renamed as CRRCG) has made a written undertaking. Pursuant to the undertaking: CRRCG will compensate the relevant wholly-owned subsidiaries of CRRC for the loss caused as a result of the state-owned land use certificate not specifying the land use terms or termination date for the authorized land.	10 December 2009	No	during the course of performance	Yes	-	-
Undertakings in relation to the refinancing	Others	Directors, Senior Management of the Company	Undertaking to adopt measures of mitigating the potential Management dilution of return for the current period: the Directors and Senior Management of the Company have made the following undertakings on 27 May 2016: (1) not to transfer interests to other entities or individuals without consideration or with unfair consideration nor otherwise damage the Company's interests in any other ways; (2) to constrain expenses relating to the performance of their duties; (3) not to use the Company's assets for investments and consumption activities unrelated to the performance of their duties; (4) that the remuneration system formulated by the Board or the Remuneration and Evaluation Committee is in line with implementation of the remedial measures for the returns by the Company; (5) that the vesting conditions of share incentives to be formulated by the Company will be in line with the implementation of the remedial measures for returns by the Company if the Company were to make such share incentive plans in the future; (6) to perform the remedial measures for returns formulated by the Company as well as any commitment made by them for such remedial measures. The Directors and Senior Management will be liable for indemnifying the Company or the investors for their losses in the event of failure to perform the commitment.	27 May 2016	No	during the course of performance	Yes	-	-
	Others	CRRCG	Undertaking to adopt measures of mitigating the potential dilution of return for the current period: on 27 May 2016, CRRCG committed not to intervene in the operation and management activities of the Company or unlawfully infringe upon the Company's interests.	27 May 2016	No	during the course of performance	Yes	-	-

Significant Events

II. Explanation of Integrity of the Company and Its Controlling Shareholder and Actual Controller During the Reporting Period

During the reporting period, the Company, its controlling shareholder and actual controller enjoyed a reputation of sound integrity. There was no failure to comply with the effective judgments of the court, outstanding liabilities due to a significant amount or other circumstances.

III. Share Option Scheme, Employee Stock Ownership Scheme and Other Staff Incentives of the Company and Their Impacts

During the reporting period, the Company has no related share option scheme and employee stock ownership scheme.

IV. Significant Contracts and Their Implementation

1. Entrusting, contracting or leasing

During the reporting period, the Company had no related trusteeship, contracting or leasing.

2. Guarantees

Unit: '000 Currency: RMB

Guarantees provided by the Company to external parties (excluding guarantees provided by the Company in favour of its subsidiaries)

Guarantor	Relationship between the guarantor and the listed company	Guaranteed	Guaranteed amount	Date of guarantee (date of signing agreement)	Commencement date	Maturity date	Guarantee type	Whether the guarantee has been fulfilled	Whether the guarantee is overdue or no	Outstanding amount of guarantee overdue	Counter guarantee	Whether the guarantee is provided to a related-party or not	Related relationship
CRRCC Corporation Limited, Suzhou CRRCC Construction Engineering Co., Ltd. (蘇州中車建設工程有限公司), a wholly-owned subsidiary of the Company, and CRRCC China Merchants (Tianjin) Equity Investment Fund Management Co., Ltd.* (中車招銀(天津)股權投資基金管理有限公司), a non-wholly-owned subsidiary of the Company	CRRCC Corporation Limited, its wholly-owned subsidiary and non-wholly-owned subsidiary	Wuhu Yunda Rail Transport Construction and Operation Limited (無湖市運通軌道交通建設運營有限公司)	1,192,980	2017-04-27	2017-06-20	2047-06-20	Joint and several liability guarantee	No	No	-	No	No	-

Significant Events

Unit: '000 Currency: RMB

Guarantees provided by the Company to external parties (excluding guarantees provided by the Company in favour of its subsidiaries)

Guarantor	Relationship between the guarantor and the listed company	Guaranteed	Guaranteed amount	Date of guarantee (date of signing agreement)	Commencement date	Maturity date	Guarantee type	Whether the guarantee has been fulfilled	Whether the guarantee is overdue or no	Outstanding amount of guarantee overdue	Counter guarantee	Whether the guarantee is provided to a related-party or not	Related relationship
CRRCLuzhou Locomotive Co., Ltd.	Wholly-owned subsidiary	CRRCE-LOCO SUPPLY (PTY) LTD	1,109,274	2014-03-21	2014-03-17	Date of completion of project execution	Performance guarantee	No	No	-	Yes	Yes	Subsidiary of the controlling shareholder of the listed company
CRRCHongkong Co., Ltd.	Wholly-owned subsidiary	CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V. ('4 Guadalajara Project Company')	193,359	2023-09-15	2023-10-27	2059-10-25	Performance guarantee	No	No	-	No	No	-
CRRCHongkong Co., Ltd.	Wholly-owned subsidiary	4 Guadalajara Project Company	350,294	2024-06-05	2024-06-05	2039-04-30	Financing guarantee	No	No	-	No	No	-
CRRCHongkong Co., Ltd.	Wholly-owned subsidiary	TIC TRENS S.A. ('Brazil Project Company')	328,774	2024-06-02	2024-06-02	2031-06-02	Performance guarantee	No	No	-	No	No	-
Total guarantee amount provided during the reporting period (excluding guarantees provided by the Company in favor of its subsidiaries)													679,068
Total guarantee balance at the end of the reporting period (A) (excluding guarantees provided by the Company in favor of its subsidiaries)													3,174,681
Guarantees provided by the Company and its subsidiaries in favor of its subsidiaries													
Total guarantee amount provided to the Company's subsidiaries during the reporting period													16,796,283
Total guarantee balance provided to the Company's subsidiaries at the end of the reporting period (B)													59,069,996
Aggregate guarantee amount provided by the Company (including guarantees provided by the Company in favor of its subsidiaries)													
Total guarantee amount (A+B)													62,244,677
Percentage of total guarantee amount to net assets of the Company (%)													36.88
In which:													
Provision of guarantee to shareholders, ultimate controller and their respective related persons (C)													1,109,274
Amount of guarantees directly or indirectly provided in favor of parties with gearing ratio over 70% (D)													29,394,160
The total amount of guarantees provided which exceeds 50% of the net asset (E)													-
Total amount of the three above-stated guarantees (C+D+E)													30,503,434
Explanation on guarantees undue that might be involved in any joint and several liability													/

Significant Events

Explanation on guarantees

Percentage of total guarantee amount to net assets of the Company = amount of guarantees/owner's equity attributable to the parent company. The balance of guarantee as of 31 December 2024 was RMB62.245 billion, accounting for 36.88% of net assets, of which:

The balance of guarantee for wholly-owned subsidiaries is RMB21.339 billion; the balance of guarantee for non-wholly-owned subsidiaries is RMB37.731 billion, the balance of guarantee for Wuhu Yunda Rail Transit Construction and Operation Limited is RMB1.193 billion, the balance of guarantee for CRRC E-LOCO SUPPLY (PTY) LTD is RMB1.109 billion, the balance of guarantee for 4 Guadalajara Project Company is RMB0.544 billion, and the balance of guarantee for the Brazil Project Company is RMB0.329 billion.

By type of guarantee: RMB1.695 billion was provided for bank acceptance bills, RMB5.363 billion was provided for loans and medium-term notes, and RMB55.187 billion was provided for guarantees such as letters of guarantee, letters of credit and credit facilities.

There were guarantees provided by the Company for the controlling shareholder, the actual controller and their related parties, as detailed in the Announcement of CRRC Corporation Limited on Entrustment of Assets and Related Transaction disclosed by the Company on 19 July 2021. As at the end of the current period, the guarantees provided by the Company for its wholly-owned and non-wholly-owned subsidiaries with debt ratios exceeding 70% have all been approved by the Board and the shareholders' meeting in accordance with the Articles of Association.

V. Fulfilment of Social Responsibility

For details of the fulfilment of social responsibility by the Group during the reporting period, please refer to Social Responsibility Report 2024 of CRRC Corporation Limited disclosed by the Company on the websites of the SSE and the Stock Exchange at the same date.

VI. Analysis of the Reasons for and Effects of Changes in Accounting Policies and Accounting Estimates of the Company

See “V. 30. Changes in Significant Accounting Policies and Accounting Estimates” in the “Financial Report”.

VII. Other Subsequent Significant Events

Profit Distribution of Ordinary Shares

On 28 March 2025, the Company held the 32nd meeting of the third session of the Board, at which the “2024 Proposal for Profit Distribution Plan of CRRC Corporation Limited” was considered and approved, pursuant to which the Company would distribute cash dividends to all shareholders based on the total share capital registered on the registration date for dividend distribution (the specific date will be clarified in the announcement on the implementation of dividend distribution). As of 31 December 2024, the total share capital of the Company was 28,698,864,088 shares, based on which and calculating at cash dividend of RMB0.21 (tax inclusive) per share, the Company is proposed to distribute cash dividend of RMB6.027 billion (tax inclusive) in aggregate, and the remaining undistributed profit will be carried forward for next year’s distribution. The Company’s cash dividends for the year accounted for 48.65% of the Company’s net profit attributable to shareholders of listed company in 2024. In case from the date of disclosure of announcement on profit distribution plan to the date of registration date for dividend distribution, there are changes in the total share capital of the Company due to the conversion of convertible bonds, repurchase of shares, cancellation of repurchased shares granted under equity incentive schemes, cancellation of repurchased shares due to material asset restructuring, etc., the Company proposes to remain the total distribution amount unchanged, and to adjust the distribution proportion per share accordingly. If the total share capital of the Company changes subsequently, specific adjustments will be announced separately. The profit distribution plan is subject to consideration and approval at the 2024 annual general meeting of the Company.

Significant Events

Amendments to the Articles of Association

In order to further improve its level of corporate governance, pursuant to the prevailing laws, regulations and regulatory documents including the Company Law of the People's Republic of China, and Measures for the Administration of Independent Directors in Listed Companies and combined with the Company's actual production and operation needs, the Company amended the Articles of Association and relevant rules of procedure. For details, please refer to the announcement dated 6 January 2025 and the circular dated 21 January 2025 published by the Company on the website of the Stock Exchange.

Appointment of Employee Director

On 25 March 2025, the second employee delegation (group) leader joint meeting of the second session of the employee representative meeting elected Ms. Yi Ran as the employee Director of the third session of the Board of the Company with her term of office commencing from the date of election at the meeting until the date of expiry of the term of the third session of the Board.

I. AUDITOR'S REPORT

KPMG HuaZhen ShenZi No. 2507242

The Shareholders of CRRC Corporation Limited:

I. OPINION

We have audited the accompanying financial statements of CRRC Corporation Limited ("CRRC"), which comprise the consolidated and company balance sheets as at 31 December 2024, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of CRRC as at 31 December 2024, and the consolidated and company financial performance and cash flows of CRRC for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CRRC in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial Report

I. AUDITOR'S REPORT *(continued)*

KPMG HuaZhen ShenZi No. 2507242

Revenue recognition	
Please refer to the accounting policy described in Note 25 under "V. Significant Accounting Policies and Accounting Estimates", as well as Note "52. Revenue and operating costs" under VII. Notes of Consolidated Financial Statements" and Note "4. Revenue and operating costs" under "XVI. Notes to the Key Items in the Company's Financial Statements" to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>For the year ended 31 December 2024, CRRC Corporation Limited and its subsidiaries (hereinafter referred to as "CRRC" or the "Group") generated revenue totalling RMB246,456,804 thousand, mainly arising from the railway equipment business, urban rail transit vehicles and urban infrastructure business, new industry business and modern service business. The Group's customers mainly include China State Railway Group Co., Ltd. (hereinafter referred to as "State Railway Group") and its subsidiaries and investees, as well as urban rail transit groups within China and abroad.</p> <p>For rail transit equipment and its extended products, the Group recognises revenue when the customer obtains control of the goods, i.e. at the time of acceptance and delivery of the goods. For rail transit equipment and its extended services, the Group recognises revenue within a certain period of time according to the progress of the performance as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.</p> <p>Revenue is one of CRRC's key performance indicators. There is a risk that management will recognize revenue in advance or later in order to achieve specific goals or expectations. Therefore, we identify the cut-off risks of misstatement (RM) of revenue recognition as key audit matters.</p>	<p>Our audit procedures to evaluate revenue recognition included the following:</p> <ol style="list-style-type: none"> (1) Understanding and evaluating the design and operating effectiveness of key internal controls over financial reporting related to revenue recognition; (2) Selecting sales contracts to identify clauses related to the transfer of control of goods, and evaluating whether CRRC's revenue recognition policy meets the relevant requirements of the Accounting Standards for Business Enterprises; (3) Selecting revenue from sales of rail transport equipment and its extended products recorded during the year and agreeing it to the supporting documents such as sales contracts, acceptance certificates, acceptance and delivery notes and invoices, in order to evaluate whether the relevant revenue was recognised in accordance with CRRC's revenue recognition accounting policy; (4) Selecting revenue from rail transport equipment and its extended services recorded during the year, obtaining an understanding of the performance of service contracts during the year, and inspecting and agreeing to the relevant contracts, third-party supervision reports, bills to customer, records of receipt of goods, or records of labour hours, in order to evaluate the reasonableness of the progress of performance determined by the management;

I. AUDITOR'S REPORT *(continued)*

KPMG HuaZhen ShenZi No. 2507242

Revenue recognition	
Please refer to the accounting policy described in Note 25 under "V. Significant Accounting Policies and Accounting Estimates", as well as Note "52. Revenue and operating costs" under "VII. Notes of Consolidated Financial Statements" and Note "4. Revenue and operating costs" under "XVI. Notes to the Key Items in the Company's Financial Statements" to the financial statements.	
The Key Audit Matter (Continued)	How the matter was addressed in our audit
We identified the cut-off risk arising from revenue recognition as a key audit matter, because revenue is one of the Group's key performance indicators and there may be cases of early or delayed revenue recognition by the management to meet targets or expectations.	<p>(5) Selecting revenue transactions recorded before and after the balance sheet date, inspecting supporting documents related to revenue recognition, and evaluating whether the relevant revenue was recorded in the appropriate accounting period;</p> <p>(6) Reviewing revenue accounting entries recorded after the balance sheet date to identify whether there was any significant sales return; if any, checking against the relevant supporting documents to evaluate whether the relevant revenue was recorded in the appropriate accounting period;</p> <p>(7) Selecting revenue accounting entries that meet specific risk criteria during the year and reviewing the relevant supporting documents.</p>

Financial Report

I. AUDITOR'S REPORT (*continued*)

KPMG HuaZhen ShenZi No. 2507242

IV. OTHER INFORMATION

CRRC's management is responsible for the other information. The other information comprises all the information included in 2024 annual report of CRRC, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing CRRC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CRRC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CRRC's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I. AUDITOR'S REPORT *(continued)*

KPMG HuaZhen ShenZi No. 2507242

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CRRC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CRRC to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CRRC to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Financial Report

I. AUDITOR'S REPORT *(continued)*

KPMG HuaZhen ShenZi No. 2507242

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Huazhen LLP

Beijing, China

Certified Public Accountants
Registered in the People's
Republic of China

Lei Jiang (Engagement Partner)

Lin Ying

28 March 2025

Consolidated Balance Sheet

31 December 2024

II. FINANCIAL STATEMENTS

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note VII	31 December 2024	31 December 2023
Current assets			
Cash and bank balances	1	67,512,492	55,929,833
Held-for-trading financial assets	2	8,222,272	8,932,728
Bills receivable	3	11,392,953	11,843,906
Accounts receivable	4	110,844,449	105,705,827
Receivables at fair value through other comprehensive income	6	8,353,838	11,498,099
Prepayments	7	8,670,885	8,097,483
Other receivables	8	2,336,602	2,232,535
Inventories	9	78,946,885	66,848,740
Contract assets	5	37,738,998	33,590,135
Assets classified as held for sale		-	76,709
Non-current assets due within one year	10	4,907,654	4,560,516
Other current assets	11	7,366,106	5,270,952
Total current assets		346,293,134	314,587,463
Non-current assets			
Loans and advances to customers	12	-	-
Debt investments	13	606,157	1,582,490
Long-term receivables	14	7,222,428	6,724,181
Long-term equity investments	15	22,416,806	21,378,782
Investments in other equity instruments	16	2,703,385	2,808,190
Other non-current financial assets	17	222,840	219,564
Investment properties	18	772,208	822,189
Fixed assets	19	64,241,191	60,359,901
Construction in progress	20	5,419,828	4,518,956
Right-of-use assets	21	2,619,386	1,880,270
Intangible assets	22	16,706,864	16,720,784
Development expenditures	23	956,787	715,820
Goodwill	24	306,816	307,406
Long-term deferred expenses		453,183	266,138
Deferred tax assets	25	4,438,024	3,871,473
Other non-current assets	26	37,444,593	35,028,128
Total non-current assets		166,530,496	157,204,272
Total assets		512,823,630	471,791,735

Consolidated Balance Sheet

31 December 2024

ITEM	Note VII	31 December 2024	31 December 2023
Current liabilities			
Short-term borrowings	28	7,065,648	8,129,856
Borrowings from the central bank		-	-
Held-for-trading financial liabilities		4,587	111,529
Bills payable	29	47,347,867	26,836,331
Accounts payable	30	161,929,991	154,033,728
Receipts in advance	31	9,151	11,695
Contract liabilities	32	28,183,686	23,176,845
Deposits from banks and other financial institutions	33	5,267,593	5,816,950
Employee benefits payable	34	2,103,919	2,051,384
Tax payable	35	3,628,077	3,298,101
Other payables	36	15,430,453	20,243,191
Non-current liabilities due within one year	37	4,930,756	4,252,671
Other current liabilities	38	2,803,320	2,445,225
Total current liabilities		278,705,048	250,407,506
Non-current liabilities			
Long-term borrowings	39	5,648,597	6,984,860
Lease liabilities	40	2,136,919	1,545,186
Long-term payables	41	188,312	210,816
Long-term employee benefits payable	42	2,248,623	2,335,183
Provisions	43	7,168,426	6,979,515
Deferred income	44	5,691,226	5,979,206
Deferred tax liabilities	25	521,994	571,902
Other non-current liabilities	45	319,891	254,246
Total non-current liabilities		23,923,988	24,860,914
Total liabilities		302,629,036	275,268,420

Consolidated Balance Sheet

31 December 2024

ITEM	Note VII	31 December 2024	31 December 2023
Shareholders' equity			
Share capital	46	28,698,864	28,698,864
Capital reserve	47	42,448,601	41,568,178
Other comprehensive income	48	(610,891)	(900,051)
Special reserve	49	49,957	49,957
Surplus reserve	50	6,851,689	6,319,090
General risk reserve		755,846	670,960
Retained earnings	51	90,579,708	84,566,375
Total equity attributable to shareholders of the Company		168,773,774	160,973,373
Non-controlling interests		41,420,820	35,549,942
Total shareholders' equity		210,194,594	196,523,315
Total liabilities and shareholders' equity		512,823,630	471,791,735

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

The Company's Balance Sheet

31 December 2024

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note XVI	31 December 2024	31 December 2023
Current assets			
Cash and bank balances	1	6,599,184	16,888,480
Accounts receivable		3,610	4,007
Prepayments		19,267	536
Other receivables	2	16,103,502	18,643,362
Non-current assets due within one year		153,910	-
Other current assets		5,727	920
Total current assets		22,885,200	35,537,305
Non-current assets			
Long-term receivables		9,059,694	9,720,332
Long-term equity investments	3	119,501,986	114,732,716
Investments in other equity instruments		531,546	424,935
Fixed assets		14,481	11,774
Construction in progress		17,609	45,454
Right-of-use assets		13,741	17,879
Intangible assets		109,072	109,383
Other non-current assets		53,256	35,508
Total non-current assets		129,301,385	125,097,981
Total assets		152,186,585	160,635,286
Current liabilities			
Short-term borrowings		-	8,504,728
Employee benefits payable		57,027	56,604
Taxes payable		4,007	12,837
Other payables		46,458,652	45,983,849
Non-current liabilities due within one year		4,956	4,751
Total current liabilities		46,524,642	54,562,769
Non-current liabilities			
Lease liabilities		10,562	15,331
Deferred Revenue		194	-
Total non-current liabilities		10,756	15,331
Total liabilities		46,535,398	54,578,100

The Company's Balance Sheet

31 December 2024

ITEM	Note XVI	31 December 2024	31 December 2023
Shareholders' equity			
Share capital		28,698,864	28,698,864
Capital reserve		62,809,231	62,809,965
Other comprehensive income		2,217	(6,296)
Surplus reserve		6,851,689	6,319,090
Retained earnings		7,289,186	8,235,563
Total shareholders' equity		105,651,187	106,057,186
Total liabilities and shareholders' equity		152,186,585	160,635,286

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

Consolidated Income Statement

From January to December 2024

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note VII	2024	2023
I. Total operating income	52	246,456,804	234,261,514
II. Total operating costs		232,680,295	221,104,594
Including: Operating costs	52	193,763,279	186,136,608
Taxes and surcharges	53	1,882,506	1,708,504
Selling expenses	54	5,528,620	5,149,546
Administrative expenses	55	15,580,957	13,958,538
Research and development expense	56	15,936,698	14,363,696
Financial expense	57	(11,765)	(212,298)
Including: Interest expenses		1,122,486	1,102,207
Interest income		1,413,126	1,167,824
Add: Other income	58	3,465,517	2,651,162
Investment income	59	865,928	1,285,876
Including: Gains from investments in associates and joint ventures		791,813	98,561
Loss arising from derecognition of financial assets measured at amortised cost		(141,398)	(121,004)
Gains from changes in fair value	60	366,824	392,037
Impairment losses under expected credit loss model	61	(990,271)	(1,261,625)
Assets impairment losses	62	(755,919)	(607,066)
Gains on disposal of assets	63	206,354	408,456
III. Operating profit		16,934,942	16,025,760
Add: Non-operating income	64	695,155	542,671
Less: Non-operating expenses	65	197,944	195,430
IV. Total profit		17,432,153	16,373,001
Less: Income tax expenses	66	1,768,260	1,803,354
V. Net profit		15,663,893	14,569,647
(I) Net profit classified by operating continuity			
1. Net profit from continuing operations		15,663,893	14,569,647
(II) Net profit classified by ownership			
1. Net profit attributable to shareholders of the Company		12,387,514	11,711,576
2. Net profit attributable to non-controlling interests		3,276,379	2,858,071

Consolidated Income Statement

From January to December 2024

ITEM	Note VII	2024	2023
VI. Other comprehensive income, net of income tax	48	406,127	(319,755)
(I) Other comprehensive income attributable to shareholders of the Company, net of income tax		290,466	(223,782)
1. Items that will not be reclassified to profit or loss		(233,194)	(6,840)
(1) Remeasurement of the changes in net liabilities or net assets of defined benefit plan		(79,621)	11,180
(2) Changes in fair value of investments in other equity instruments		(160,129)	(18,020)
(3) Others		6,556	-
2. Items that may be reclassified to profit or loss		523,660	(216,942)
(1) Other comprehensive income that may be reclassified to profit or loss under equity method		(9,959)	10,036
(2) Changes in fair value of other debt investments		57,848	(42,410)
(3) Provision for credit impairments of other debt investments		-	(422)
(4) Translation differences arising from translation of foreign currency financial statements		398,584	(123,616)
(5) Cash flow hedge reserve		77,187	(60,530)
(II) Other comprehensive income attributable to non-controlling interests, net of income tax		115,661	(95,973)
VII. Total comprehensive income		16,070,020	14,249,892
(I) Total comprehensive income attributable to shareholders of the Company		12,677,980	11,487,794
(II) Total comprehensive income attributable to non-controlling interests		3,392,040	2,762,098
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/per share)		0.43	0.41
(II) Diluted earnings per share (RMB/per share)		0.43	0.41

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

The Company's Income Statement

From January to December 2024

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note XVI	2024	2023
I. Operating income	4	414,956	395,818
Less: Operating costs	4	4,096	4,047
Taxes and surcharges		1,741	1,851
Selling expenses		19,271	18,554
Administrative expenses		414,395	310,930
Research and development expenses		715,883	392,736
Financial expenses		148,245	78,269
Including: Interest expenses		859,704	927,759
Interest income		732,508	835,089
Add: Other income		1,774	1,041
Investment income	5	6,212,705	8,689,936
Including: Income from investment in associates and joint ventures		355,807	23,445
Impairment losses under expected credit loss model		779	(7,189)
Gains on disposal of assets		(88)	-
II. Operating profit		5,326,495	8,273,219
Add: Non-operating income		-	178
Less: Non-operating expenses		500	1,621
III. Total profit		5,325,995	8,271,776
Less: Income tax expenses		-	-
IV. Net profit		5,325,995	8,271,776
(I) Net profit from continuing operations		5,325,995	8,271,776
V. Other comprehensive income, net of income tax		8,513	38,735
(I) Other comprehensive income that cannot be reclassified into profit and loss		6,612	-
1. rereasurement of defined benefit plan		6,612	-
(II) Items that may be reclassified to profit or loss		1,901	38,735
1. Other comprehensive income recognized under equity method		1,901	38,735
VI. Total comprehensive income for the year		5,334,508	8,310,511

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

The Consolidated cash flow statement

From January to December 2024

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note VII	2024	2023
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		255,299,159	228,777,284
Net increase in deposits from banks and other financial institutions		-	2,662,971
Net decrease in loans and advances to customers		1,902,151	199,588
Receipts of tax refunds		1,906,986	2,495,287
Other cash receipts relating to operating activities	68	3,139,788	3,223,017
Sub-total of cash inflows from operating activities		262,248,084	237,358,147
Cash payments for goods purchased and services received		168,129,019	161,522,167
Net decrease in deposits from banks and other financial institutions		549,357	-
Cash payments to and on behalf of employees		39,698,992	36,949,244
Payment of various taxes		13,019,103	11,726,278
Other cash payments relating to operating activities	68	13,724,110	12,438,842
Sub-total of cash outflows from operating activities		235,120,581	222,636,531
Net cash flow from operating activities	69	27,127,503	14,721,616
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		27,567,744	32,781,802
Cash receipts from investment income		1,071,680	995,637
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		411,400	152,030
Other cash received in connection with investing activities		-	40,800
Sub-total of cash inflows from investing activities		29,050,824	33,970,269
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		10,184,807	8,103,773
Cash payments to acquire investments		35,739,408	35,696,407
Other cash paid relating to investing activities		164,616	1,347,411
Sub-total of cash outflows from investing activities		46,088,831	45,147,591
Net cash flow used in investing activities		(17,038,007)	(11,177,322)

The Consolidated cash flow statement

From January to December 2024

ITEM	Note VII	2024	2023
III. Cash flows from financing activities:			
Cash receipts from capital contributions		4,791,705	1,201,098
Including: Cash receipts from capital contributions by non-controlling interests of subsidiaries		4,791,705	1,201,098
Cash receipts from borrowings		20,444,461	28,969,634
Cash receipts from bonds issuing		-	23,000,000
Sub-total of cash inflows from financing activities		25,236,166	53,170,732
Cash repayments of borrowings		24,444,741	47,505,389
Cash payments for distribution of dividends or profits or settlement of interest expense		8,025,262	9,622,492
Including: Payments for distribution of dividends or profits to non-controlling interests of subsidiaries		1,238,288	2,788,254
Other cash payments relating to financing activities		2,211,516	1,409,542
Sub-total of cash outflows from financing activities		34,681,519	58,537,423
Net cash flow (used in)/from financing activities		(9,445,353)	(5,366,691)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(158,057)	281,856
V. Net increase in cash and cash equivalents	69	486,086	(1,540,541)
Add: Opening Balance of Cash and Cash Equivalents	69	46,067,025	47,607,566
VI. Closing Balance of Cash and Cash Equivalents	69	46,553,111	46,067,025

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

The Company's cash flow statement

From January to December 2024

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note XVI	2024	2023
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and rendering of services		440,020	441,622
Receipts of tax refunds		-	1,041
Other cash receipts relating to operating activities		553,689	4,753,362
Sub-total of cash inflows from operating activities		993,709	5,196,025
Cash payments for goods purchased and services received		4,630	29,726
Cash payments to and on behalf of employees		165,939	162,039
Payment of various taxes		14,998	71,807
Other cash payments relating to operating activities		1,054,501	5,246,546
Sub-total of cash outflows from operating activities		1,240,068	5,510,118
Net cash flow (used in)/from operating activities	6	(246,359)	(314,093)
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		27,944,834	28,024,046
Cash receipts from investment income		7,720,795	6,044,643
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		-	-
Net cash receipts from disposal of subsidiaries and other business units		-	-
Sub-total of cash inflows from investing activities		35,665,629	34,068,689
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		2,220	3,822
Payment for acquisition of investments		31,194,628	35,310,379
Payment for other investing activities		-	-
Sub-total of cash outflows from investing activities		31,196,848	35,314,201
Net cash flow from/(used in) investing activities		4,468,781	(1,245,512)
III. Cash flows from financing activities:			
Cash receipts from bonds issuing		-	23,000,000
Cash receipts from borrowings		2,000,000	2,000,000
Cash receipts from other financing activities		51,201,100	52,665,690
Sub-total of cash inflows from financing activities		53,201,100	77,665,690
Cash repayments of borrowings		10,500,000	27,500,000
Cash payments for distribution of dividends or profits or settlement of interest expenses		6,534,613	6,586,925
Other cash payments relating to financing activities		50,388,856	42,572,428
Sub-total of cash outflows from financing activities		67,423,469	76,659,353
Net cash flow (used in)/from financing activities		(14,222,369)	1,006,337
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		(14,270)	20,836
V. Net increase in cash and cash equivalents			
Add: Opening Balance of Cash and Cash Equivalents	6	15,718,647	16,251,079
VI. Closing Balance of Cash and Cash Equivalents			
	6	5,704,430	15,718,647

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

The Consolidated Statement of Changes in Shareholders' Equity

From January to December 2024

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	For the year ended 31 December 2024										
	Equity attributable to shareholders of the Company									Noncontrolling interests	Total
	Share capital	Capital reserve	comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Sub-total			
I. Balance at the end of the previous year	28,698,864	41,568,178	(900,051)	49,957	6,319,090	670,960	84,566,375	160,973,373	35,549,942	196,523,315	
II. Balance at the beginning of the current	28,698,864	41,568,178	(900,051)	49,957	6,319,090	670,960	84,566,375	160,973,373	35,549,942	196,523,315	
III. Changes for the year	-	880,423	289,160	-	532,599	84,886	6,013,333	7,800,401	5,870,878	13,671,279	
(I) Total comprehensive income	-	-	290,466	-	-	-	12,387,514	12,677,980	3,392,040	16,070,020	
(II) Shareholders' contributions and reduction	-	880,423	-	-	-	-	-	880,423	3,712,367	4,592,790	
1. Contribution by ordinary shareholders	-	990,264	-	-	-	-	-	990,264	3,816,540	4,806,804	
2. Others	-	(109,841)	-	-	-	-	-	(109,841)	(104,173)	(214,014)	
(III) Profit distribution	-	-	-	-	532,599	84,886	(6,375,487)	(5,758,002)	(1,233,529)	(6,991,531)	
1. Distributions to shareholders	-	-	-	-	-	-	(5,739,773)	(5,739,773)	(1,222,310)	(6,962,083)	
2. Appropriation for surplus reserve	-	-	-	-	532,599	-	(532,599)	-	-	-	
3. Appropriation to general risk reserve	-	-	-	-	-	84,886	(84,886)	-	-	-	
4. Others	-	-	-	-	-	-	(18,229)	(18,229)	(11,219)	(29,448)	
(IV) Transfers within shareholders' equity	-	-	(1,306)	-	-	-	1,306	-	-	-	
1. Other comprehensive income carried forward to retained earnings	-	-	(1,306)	-	-	-	1,306	-	-	-	
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	
1. Appropriation of special reserve	-	-	-	541,442	-	-	-	541,442	96,482	637,924	
2. Amount utilised in the year	-	-	-	(541,442)	-	-	-	(541,442)	(96,482)	(637,924)	
(VI) Others	-	-	-	-	-	-	-	-	-	-	
IV. Balance at the end of the current period	28,698,864	42,448,601	(610,891)	49,957	6,851,689	755,846	90,579,708	168,773,774	41,420,820	210,194,594	

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

The Consolidated Statement of Changes in Shareholders' Equity

From January to December 2023

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	For the year ended 31 December 2023										
	Equity attributable to shareholders of the Company									Noncontrolling interests	Total
	Share capital	Capital reserve	comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Sub-total			
I. Balance at the end of the previous year	28,698,864	41,353,278	(687,727)	49,957	5,491,912	693,662	79,441,376	155,041,322	35,944,594	190,985,916	
II. Balance at the beginning of the current	28,698,864	41,353,278	(687,727)	49,957	5,491,912	693,662	79,441,376	155,041,322	35,944,594	190,985,916	
III. Changes for the year	-	214,900	(212,324)	-	827,178	(22,702)	5,124,999	5,932,051	(394,652)	5,537,399	
(I) Total comprehensive income	-	-	(223,782)	-	-	-	11,711,576	11,487,794	2,762,098	14,249,892	
(II) Shareholders' contributions and reduction	-	214,900	-	-	-	-	-	214,900	374,480	589,380	
1. Contribution by ordinary shareholders	-	153,854	-	-	-	-	-	153,854	1,016,741	1,170,595	
2. Others	-	61,046	-	-	-	-	-	61,046	(642,261)	(581,215)	
(III) Profit distribution	-	-	-	-	827,178	-	(6,575,119)	(5,747,941)	(2,880,037)	(8,627,978)	
1. Distributions to shareholders	-	-	-	-	-	-	(5,739,773)	(5,739,773)	(2,849,093)	(8,588,866)	
2. Appropriation for surplus reserve	-	-	-	-	827,178	-	(827,178)	-	-	-	
3. Others	-	-	-	-	-	-	(8,168)	(8,168)	(30,944)	(39,112)	
(IV) Transfers within shareholders' equity	-	-	11,458	-	-	-	(11,458)	-	-	-	
1. Other comprehensive income carried forward to retained earnings	-	-	11,458	-	-	-	(11,458)	-	-	-	
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	
1. Appropriation of special reserve	-	-	-	625,666	-	-	-	625,666	93,913	719,579	
2. Amount utilised in the year	-	-	-	(625,666)	-	-	-	(625,666)	(93,913)	(719,579)	
(VI) Others	-	-	-	-	-	(22,702)	-	(22,702)	(651,193)	(673,895)	
IV. Balance at the end of the current period	28,698,864	41,568,178	(900,051)	49,957	6,319,090	670,960	84,566,375	160,973,373	35,549,942	196,523,315	

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

The Company's Statement of Changes in Shareholders' Equity

From January to December 2024

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	For the year ended 31 December 2024					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Closing balance of the previous year	28,698,864	62,809,965	(6,296)	6,319,090	8,235,563	106,057,186
II. Opening balance of the current year	28,698,864	62,809,965	(6,296)	6,319,090	8,235,563	106,057,186
III. Changes in equity during the period	-	(734)	8,513	532,599	(946,377)	(405,999)
(I) Total comprehensive income	-	-	8,513	-	5,325,995	5,334,508
(II) Owners' contributions and reduction in capital	-	(734)	-	-	-	(734)
1. Ordinary shares invested by owners	-	-	-	-	-	-
2. Others	-	(734)	-	-	-	(734)
(III) Profit distribution	-	-	-	532,599	(6,272,372)	(5,739,773)
1. Appropriation for surplus reserve	-	-	-	532,599	(532,599)	-
2. Distributions to owners (or shareholders)	-	-	-	-	(5,739,773)	(5,739,773)
IV. Closing balance of the current period	28,698,864	62,809,231	2,217	6,851,689	7,289,186	105,651,187

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

The Company's Statement of Changes in Shareholders' Equity

From January to December 2023

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	For the year ended 31 December 2023					Total
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	
I. Closing balance of the previous year	28,698,864	62,808,927	(45,031)	5,491,912	6,530,738	103,485,410
II. Opening balance of the current year	28,698,864	62,808,927	(45,031)	5,491,912	6,530,738	103,485,410
III. Changes in equity during the period	-	1,038	38,735	827,178	1,704,825	2,571,776
(I) Total comprehensive income	-	-	38,735	-	8,271,776	8,310,511
(II) Owners' contributions and reduction in capital	-	1,038	-	-	-	1,038
1. Others	-	1,038	-	-	-	1,038
(III) Profit distribution	-	-	-	827,178	(6,566,951)	(5,739,773)
1. Appropriation for surplus reserve	-	-	-	827,178	(827,178)	-
2. Distributions to owners (or shareholders)	-	-	-	-	(5,739,773)	(5,739,773)
IV. Closing balance of the current period	28,698,864	62,809,965	(6,296)	6,319,090	8,235,563	106,057,186

Legal representative
Sun Yongcai

Chief Accountant
Li Zheng

Person in Charge of the
Accounting Department
Shi Jian Feng

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

III. BASIC INFORMATION ABOUT THE COMPANY

1 General information

CSR Corporation Limited ("CSR") was incorporated in the PRC on 28 December 2007 as a joint stock company with limited liability under the Company Law of the PRC. CSR's A shares were listed on the Shanghai Stock Exchange (the "SSE") on 18 August 2008 and CSR's H shares were listed on the main board of The Stock Exchange of Hong Kong Limited on 21 August 2008. CSR non-public issued A-share ordinary shares in 2012, and the ordinary shares increased to 13,803,000,000 shares after the non-public issuing.

China CNR Corporation Limited ("CNR") was incorporated in the PRC on 26 June 2008 as a joint stock company with limited liability under the Company Law of the PRC. CNR made an initial public offering of A shares which were listed on the SSE on 29 December 2009. H shares of CNR were listed on the Main Board of the HKSE on 22 May 2014. As at 31 December 2014, CNR has issued total shares of 12,259,780,303.

CSR and CNR published a joint announcement on 30 December 2014, announcing that the two companies entered into a merger agreement with respect to a merger proposal ("2015 Business Combination"). CSR and CNR would merge by CSR issuing, on the basis of a single exchange ratio, CSR A shares and CSR H shares to holders of CNR A shares and CNR H shares respectively in exchange for all of the issued shares of CNR. The exchange proportion was 1:1.10, meaning that each CNR A share should be exchanged for 1.10 CSR A shares to be issued by CSR and that each CNR H share should be exchanged for 1.10 CSR H shares to be issued by CSR. As all of the conditions of the above agreement as specified in the merger agreement had been satisfied, the merger agreement became effective on 28 May 2015. CSR issued 2,347,066,040 H shares and 11,138,692,293 A shares on 26 May 2015 and 28 May 2015 respectively. CNR A shares were deregistered from the SSE and CNR H shares were deregistered from the Main Board of HKSE. After the completion of the merger, CSR assumed all the assets, liabilities and business of CNR and CNR was deregistered according to law. On 1 June 2015, the name of CSR was changed from "CSR Corporation Limited" to "CRRC Corporation Limited" ("CRRC" or the "Company").

On 5 August 2015, the respective holding companies of the Company, namely CSR Group (formerly China South Locomotive and Rolling Stock Industry (Group) Corporation) and China Northern Locomotive & Rolling Stock Industry (Group) Corporation ("CNR Group") concluded the Merger Agreement by which CNR Group merged CSR Group with the latter deregistered and then was renamed to CRRC Group (later renamed to CRRC Group Co., Ltd., "CRRCG"). All assets, liabilities, business, employees, contracts, qualifications and other rights and obligations of CSR Group shall be inherited by CRRCG after the merger.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

III. BASIC INFORMATION ABOUT THE COMPANY *(continued)*

1 General information *(continued)*

As proposed and approved in the Company's 2015 annual general meeting of shareholders as well as approved by the China Securities Regulatory Commission ("CSRC") on Reply on the Approval of Non-public Issuance of Stocks by CRRC Corporation Limited (Zheng Jian Xu Ke [2016] No. 3203), the Company completed the non-public offering 1,410,105,755 A shares with par value RMB1.00 each to specific investors in January 2017. The number of share capital has increased to 28,698,864,088, and CRRC Group remains the controlling shareholder of the Company.

The address of the Company's registered office is No.16 Central West Fourth Ring Road, Haidian District, Beijing, the PRC.

The Company and its subsidiaries (collectively the "Group") are principally engaged in the research and development, design, manufacture, refurbishment and service of locomotives (including multiple units), metro cars, engineering machinery, mechanical and electric equipment, electronic equipment and related components products, electronic appliances and environmental protection equipment, as well as sales, technical services and equipment leasing of related products; information consultation; industrial investment of the above business; assets management; imports and exports.

2 Scope of consolidated financial statements

Company name	Principal place of business	Registered office	Type of legal entity	Legal representative	Business scope/Nature of business	Unified social credit code	Paid-in capital (RMB'000)	Shareholding proportion (%)	Voting proportion (%)
CRRC Changchun Railway Vehicles Co. Ltd. ("CRRC Changchun")	China	Changchun	Limited company	Lin Changqing	Manufacturing	91220000735902224D	6,277,764	93.54	93.54
CRRC Zhuzhou Electric Locomotive Research Institute Co., Ltd. ("CRRC Zhuzhou Institute")	China	Zhuzhou	Limited liability company	Li Donglin	Manufacturing	9143020044517525X1	9,126,840	100.00	100.00
CRRC Zhuzhou Electric Locomotive Co., Ltd. ("CRRC Zhuzhou Locomotive")	China	Zhuzhou	Limited liability company	Wang Qiaolin	Manufacturing	914302007790310965	5,585,395	100.00	100.00
CRRC Tangshan Co., Ltd. ("CRRC Tangshan")	China	Tangshan	Limited liability company	Zhou Junnian	Manufacturing	911302216636887669	4,030,920	100.00	100.00
CRRC Dalian Co., Ltd. ("CRRC Dalian")	China	Dalian Branch	Limited liability company	Sun Rongkun	Manufacturing	91210200241283929E	4,382,740	100.00	100.00
CRRC Qiqihar Group Co., Ltd. ("CRRC Qiqihar Group")	China	Qiqihar	Limited liability company	Wang Hui rong	Manufacturing	91230200057435769W	7,900,000	100.00	100.00
CRRC Yangtze River Transportation Equipment Group Co., Ltd. ("CRRC Yangtze River Group")	China	Wuhan	Limited liability company	Zhang Lei	Manufacturing	91420115MA4KYAEH3B	5,716,509	100.00	100.00
CRRC Asset Management Co., Ltd. ("CRRC Asset Management")	China	Shanghai	Limited liability company	Tan Xiaofeng	Trading and financing lease	911100007109247853	2,909,285	100.00	100.00
CRRC Qishuyan Co., Ltd. ("CRRC Qishuyan")	China	Changzhou	Limited liability company	Xu Shibao	Manufacturing	913204006638182170	2,298,020	100.00	100.00

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

III. BASIC INFORMATION ABOUT THE COMPANY (continued)

2 Scope of consolidated financial statement (continued)

Company name	Principal place of business	Registered office	Type of legal entity	Legal representative	Business scope/Nature of business	Unified social credit code	Paid-in capital (RMB'000)	Shareholding proportion (%)	Voting proportion (%)
CRRC Qishuyan Locomotive & Rolling Stock Technology Research Institute Co., Ltd. ("CRRC Qishuyan Institute")	China	Changzhou	Limited company	Wang Chenglong	Manufacturing	91320400137168058A	650,000	84.20	84.20
CRRC Capital Management Co., Ltd. ("CRRC Capital Management")	China	Beijing	Limited liability company	Lu Jianzhou	Finance	91110108MA0031464L	3,300,000	100.00	100.00
CRRC Nanjing Puzhen Co., Ltd. ("CRRC Nanjing Puzhen")	China	Nanjing	Limited liability company	Li Dingnan	Manufacturing	91320191663764650N	5,138,144	100.00	100.00
CRRC Hong Kong Capital Management Co., Ltd. ("CRRC Hong Kong Capital Management")	China	Hong Kong	Limited liability company	Li Jin	Investment and capital operation	Not applicable	3,503,568	100.00	100.00
CRRC ITET Co., Ltd. ("CRRC ITET")	China	Beijing	Limited liability company	Wang Hongwei	Housing industry	91110106590663663T	1,500,000	50.00	50.00
CRRC Yongji Electric Co., Ltd. ("CRRC Yongji Electric")	China	Yongji	Limited liability company	Xing Xiaodong	Manufacturing	91140881664458751J	1,867,231	100.00	100.00
CRRC Qingdao Sifang Institute Co., Ltd. ("CRRC Sifang Institute")	China	Qingdao	Limited liability company	Kong Jun	Manufacturing	91370200264582788W	2,212,573	100.00	100.00
CRRC Finance Co., Ltd. ("CRRC Finance")	China	Beijing	Limited liability company	Dong Xuzhang	Financing	911100000573064301	3,200,000	91.36	91.36
CRRC Zhuzhou Electric Co., Ltd. ("CRRC Zhuzhou Electric")	China	Zhuzhou	Limited liability company	Nie Ziqiang	Manufacturing	9143020076071871X7	1,342,200	100.00	100.00
CRRC Ziyang Co., Ltd. ("CRRC Ziyang")	China	Ziyang	Limited liability company	Chen Zhixin	Manufacturing	91512000786693055N	2,028,889	99.60	99.60
CRRC Beijing Nankou Co., Ltd. ("CRRC Beijing Nankou")	China	Beijing	Limited liability company	Tao Lu	Manufacturing	91110000664625580F	1,008,000	100.00	100.00
CRRC Datong Electric Locomotive Co., Ltd. (CRRC Datong)	China	Datong	Limited liability company	Fu Yongjun	Manufacturing	91140200602161186E	1,140,000	100.00	100.00
CRRC Dalian Institute Co., Ltd. ("CRRC Dalian Institute")	China	Dalian	Limited liability company	Zhang Bo	Manufacturing	91210200243024402A	903,000	100.00	100.00
CRRC Sifang Co., Ltd. ("CRRC Sifang")	China	Qingdao	Limited liability company	Ma Lijun	Manufacturing	9137020016357624X1	206,475	100.00	100.00
CRRC Logistics Co., Ltd. ("CRRC Logistics")	China	Beijing	Limited liability company	Zhang Mingdong	Logistics and trade	91110108737682982M	784,000	100.00	100.00
CRRC Industrial Institute Co., Ltd. ("CRRC Industrial Institute")	China	Beijing	Limited liability company	Gong Ming	Research and development	911101063066897448	250,830	100.00	100.00
CRRC International Co., Ltd. ("CRRC International")	China	Beijing	Limited liability company	Wu Yan	Trade	911101067109217367	2,590,000	100.00	100.00
CRRC Information Technology Co., Ltd. ("CRRC Information Technology")	China	Beijing	Limited liability company	Chen Kai	Software development	91110108700035941C	748,350	100.00	100.00

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

III. BASIC INFORMATION ABOUT THE COMPANY *(continued)*

2 Scope of consolidated financial statement *(continued)*

Company name	Principal place of business	Registered office	Type of legal entity	Legal representative	Business scope/Nature of business	Unified social credit code	Paid-in capital <i>(RMB'000)</i>	Shareholding proportion (%)	Voting proportion (%)
CRRC SA (PTY) LTD	South Africa	South Africa	Limited liability company	Han Xiaobo	Manufacturing	Not applicable	ZAR 1,000	66.00	66.00
Zhuzhou CRRC Times Electric Co., Ltd. (Times Electric*) (Note 1)	China	Zhuzhou	Limited company	Li Donglin	Manufacturing	914300007808508659	1,406,653	48.04	48.04
Zhuzhou Times New Material Technology Co., Ltd. (Times New Material*) (Note 2)	China	Zhuzhou	Limited company	Peng Huawen	Manufacturing	91430200712106524U	824,448	38.53	49.55
CRRC Qihang New Energy Technology Co., Ltd	China	Beijing	Limited liability company	Liu Jianxun	Research and development	91110108MAD3W43D43	700,000	100.00	100.00
CRRC (Chongqing) Smart Rail Transit Technology Co., Ltd (Chongqing Smart Rail Transit)	China	Chongqing	Limited liability company	Zhang Hongquan	Research and development	91500112MAD9CP0C01	200,000	100.00	100.00
CRRC Digital Intelligence Technology (Xiong'an) Co., Ltd (Note 3)	China	Boading	Limited liability company	Chen Kai	Software development	91133100MAE8YDTG6C	-	100.00	100.00

Note 1: Times Electric is a subsidiary of CRRC ZIC. On September 7, 2021, Times Electric was listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688187) with a public offering of 240,760,275 new shares, resulting in the Group's shareholding in Times Electric passively diluted from 53.19% to 44.14%, and the voting rights ratio decreased from 53.19% to 44.14%. After the dilution of the share ratio, the Group will still be able to exercise control over Times Electric. From 2022 to 2023, CRRC Hong Kong Capital, a subsidiary of the Company, purchased 49,260,000 shares of Times Electric in the open market. As of December 31, 2023, the Group's shareholding in Times Electric was 47.72%. As of December 31, 2024, totally 13,916,900 H Shares had been repurchased, of which 9,584,100 H Shares have cancelled. After the transaction, the Group's shareholding in CRRC Times Electric was 48.04%.

Note 2: TMT is a subsidiary of CRRC ZIC. On April 25, 2023, TMT held the 24th meeting of the 9th Board of Directors and the 17th meeting of the 9th Board of Supervisors. Reviewed and passed the "Motion on Adjusting the List of incentive objects and the number of Restricted Stock Grants for the first Time under the Company's 2022 Restricted Stock Incentive Plan" and the "Motion on Granting Restricted Stock for the first Time to the incentive objects of the Company's 2022 Restricted Stock Incentive Plan", on June 27, 2023, TMT held the 25th (interim) meeting of the 9th Board of Directors and the 18th (interim) meeting of the 9th Board of Supervisors, deliberating and passing the Proposal on Reserving and Granting Restricted Shares to Incentive Object of the Company's 2022 Restrcted Stock Incentive Plan. As of the end of this report, TMT had a new share capital of 21.74 million shares. The Group's shareholding in TMT was passively diluted from 39.55% to 38.53%. At the same time, CRRC Group, the parent company of the Company, holds 11.02% of the equity of TMT, and CRRC Group has authorized its right to propose and vote at the shareholders' meeting of TMT to the Group, so the voting rights of the Group in TMT are passively diluted from 50.87% to 49.55%.

Note 3: CRRC Digital Intelligence Technology (Xiong'an) Co., Ltd is a new subsidiary invested by the Company this year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1 Basis of preparation

The financial statements have been prepared on the going concern basis.

The Group has adopted the Accounting Standards for Business Enterprises and relative regulations (“ASBE”) issued by the Ministry of Finance (the “MOF”).

According to Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong and other relevant Security Listing Rules Amendments issued by the Hong Kong Stock Exchange (Hong Kong Listing Rules) in December 2010, also referring to the relevant provisions issued by the MoF and the China Securities Regulatory Commission (“CSRC”), and approved by the 10th meeting of the second board of directors of the Company and the General Meeting of the Company, from 2019 fiscal year, the Company no longer provides the financial statements prepared in accordance with the ASBE and the International Financial Reporting Standards (the “IFRS”) separately to stockholders of A shares and H shares. Instead, the Company provides the financial statements prepared in accordance with the ASBE to all stockholders, taking the relevant disclosure standards of Hong Kong Companies Ordinance and Hong Kong Listing Rules into consideration.

The financial data in this report are prepared based on ASBE.

In addition, the financial statements of the Company also comply with the disclosure requirements of financial statements and notes in the Information Disclosure and Preparation Rules for Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting revised by the CSRC in 2023.

2 Going concern

The Group evaluated the going concern capability for the next twelve months from 31 December 2024 and found no matters or circumstances that could raise serious doubts about the going concern capability. These financial statements have been prepared on a going concern basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1 Statement of compliance with the ASBE

These financial statements are in compliance with the ASBE to truly and completely reflect consolidated and the Company's financial position as at 31 December 2024, and consolidated and the Company's operating results, changes in shareholders' equity and cash flows for the 12 month period then ended.

2 Accounting period

The Company has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3 Business cycle

Business cycle refers to the period since purchasing assets for production till the realisation of cash or cash equivalents. The Company's business cycle is 12 months in general.

4 Reporting currency

The functional currency of the Company is RMB and is adopted to prepare the financial statements. Except for particular explanations, all items are presented in RMB'000. The functional currency of the Company's subsidiaries, joint ventures and associates is selected based on economic environment where they operate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

5 Method used to determine the materiality threshold and the basis for selection

Item	Materiality threshold
Material provision for bad and doubtful debts of accounts receivable on an individual basis	Amount over or equal to 0.50% of the owner's equity attributable to the parent company audited in the latest period
Material provision for bad and doubtful debts of accounts receivable on an individual basis	Amount over or equal to 0.50% of the owner's equity attributable to the parent company audited in the latest period
Material construction projects in progress	Amount over or equal to 0.50% of the owner's equity attributable to the parent company audited in the latest period
Material accounts payable/other payables aged over 1 year or overdue	Amount over or equal to 0.50% of the owner's equity attributable to the parent company audited in the latest period
Material joint ventures or associates	The carrying amount of long-term equity investments in joint ventures or associates is over or equal to 2.00% of the total equity attributable to shareholders of the company audited in the latest period

6 The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

A business combination is a transaction or event that brings together two or more separate entities into one reporting entity. Business combinations includes business combinations involving enterprises under common control and business combinations involving enterprises not under common control.

A transaction constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets). Business combination is classified as either business combinations involving enterprises under common control or business combinations involving enterprises not under common control.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

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

For a transaction involving enterprises not under common control, the acquirer determines whether acquired set of assets constitute a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is not a business. If the concentration test is met, the set of assets is determined not to be a business. If the concentration test is not met, the Group shall perform the assessment according to the guidance on the determination of a business.

When the set of assets the group acquired does not constitute a business, acquisition costs should be allocated to each identifiable assets and liabilities at their acquisition date fair values. It is not required to apply the accounting of business combination described as below.

(1) Business combinations involving enterprises under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For a business combination involving entities under common control, on the combination date, the party that obtains control of another entity in the combination is the acquirer, while the other entity is the acquiree. The combination date is the date on which the acquirer obtains control of the acquiree.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate par value of the shares issued as consideration) is adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

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

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

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

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

The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination involving enterprises not under common control shall be measured at fair value at the date of acquisition.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognised as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current year.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

7 Criteria of control and basis for preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control is achieved when the company has power over the investee; is exposed or has rights to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. A subsidiary is an enterprise that is controlled by the Company. The financial positions, operating results, and cash flow of subsidiaries are included in consolidated financial statement from acquisition date to termination date of control.

For subsidiaries acquired through a business combination involving enterprises under common control, they will be fully consolidated into consolidated financial statements from the date on which subsidiary was ultimately under common control by the same party or parties. Their operating results and cash flows from the beginning of the earliest reporting period are included in the consolidated income statement and consolidated statement of cash flows appropriately.

For a subsidiary acquired through a business combination involving enterprises not under common control, the acquired subsidiaries are consolidated in consolidated financial statement on the basis of fair value of identifiable assets and liabilities recognised on the date of acquisition.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

All significant intra-group balances and transactions are eliminated on consolidation.

The portion of subsidiaries' equity, profits or losses and comprehensive income that is attribute to their non-controlling shareholders is separately presented under "shareholders' equity" in the consolidated balance sheet, and "net profit" and "total comprehensive income" in the consolidated income statement.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

7 Criteria of control and basis for preparation of consolidated financial statements *(continued)*

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

8 Classification of joint arrangements and accounting methods for joint management

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

The Group's joint arrangements are joint ventures, which are accounted for using the equity method, and are set out in Note V.14.

9 Recognition criteria of cash and cash equivalent

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

10 Translation of transactions and financial statements denominated in foreign currencies

For foreign currency transactions, the Group translates the amount of foreign currency into RMB.

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

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

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: all the assets and liability items in the balance sheet are translated using the spot exchange rates at the balance sheet date, shareholders' equity items except of "retained earnings" are translated at the spot exchange rates at the date on which such items arose; income and expense items in the income statement are translated at the average exchange rates during the period in which the transaction occurs. Translation differences of financial statements denominated in foreign currencies arising hereby are recognised as other comprehensive income. When a foreign operation is disposed of, other comprehensive income associated with such foreign operation is transferred to profit or loss for the period in which it is disposed of. In case of a disposal or other reason that leads to the reduction of the proportion of foreign operation interests held but does not result in the Group losing control of a foreign operation, the proportionate share of accumulated exchange differences arising on translation of financial statements are re-attributed to non-controlling interests and are not recognised in profit and loss. For partial disposals of equity interests in foreign operations which are associates or joint ventures, the proportionate share of the accumulated exchange differences arising on translation of financial statements of foreign operations is reclassified to profit or loss.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the average exchange rate for the year during which the cash flows occur. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as effect of foreign exchange rate changes on cash and cash equivalents.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial instruments

Financial instruments include cash at bank and on hand, investments in debt and equity securities other than those classified as long-term equity investments (see Note V.14), receivables, payables, loans and borrowings, debentures payable and share capital.

(1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset or financial liability is measured initially at fair value. For financial assets and financial liabilities measured at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. Accounts receivables that do not have a significant financing component or do not account for the significant financing component in one-year-or-less contracts under the practical expedient are initially measured at the transaction price in accordance with Note V.25.

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

The classification of financial assets is generally based on the business model under which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held under a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial instruments *(continued)*

(2) Classification and subsequent measurement of financial assets *(continued)*

(a) Classification of financial assets *(continued)*

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis, and the instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(2) Classification and subsequent measurement of financial assets *(continued)*

(b) Subsequent measurement of financial assets

- Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

- Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and that is not part of a hedging relationship should be recognised in profit or loss when the financial asset is derecognised, reclassified, amortised under the effective interest method or when an impairment gain or loss is recognised.

- Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

- Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or as financial liabilities measured at amortised cost.

- Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liabilities) or if it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value; and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

- Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

(4) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- The Group currently has a legally enforceable right to set off the recognised amounts;
- The Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(5) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred; and although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the financial asset derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

(6) Impairment

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost;
- contract assets; and
- lease receivables.

Financial assets measured at fair value, including debt investments or equity securities at FVTPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(6) Impairment *(continued)*

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for bills receivable, accounts receivable, receivables under financing and contract assets arising from ordinary business activities such as sale of goods and provision of services, as well as lease receivables arising from lease transactions are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for bills receivable, accounts receivable, receivables under financing, contract assets, and lease receivables, the Group measures loss allowances at an amount equal to 12-month ECLs for the following financial instruments, and at an amount equal to lifetime ECLs for all other financial instruments:

- Financial instruments that have been determined to have low credit risk at the balance sheet date;
- Financial instruments for which credit risk has not increased significantly since initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(6) Impairment *(continued)*

Provisions for bad and doubtful debts arising from receivables

(a) Categories of groups for collective assessment based on credit risk characteristics and basis for determination

Bills receivable	Based on the different credit risk characteristics of acceptors, the Group classifies bills receivable into two groups: bank acceptance bills and commercial acceptance bills.
Accounts receivable	According to the different credit risk characteristics of customers, the Group divides accounts receivable into three portfolios: central enterprise customer portfolio, local government/local state-owned enterprise customer portfolio and other customer portfolios.
Other receivables	Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classifies other receivables into 3 groups, specifically: the group of current accounts receivable and prepaid expenses, the group of deposit receivable and the group of others.
Contract assets	According to the different credit risk characteristics of customers, the Group divides accounts receivable into three portfolios: central enterprise customer portfolio, local government/local state-owned enterprise customer portfolio and other customer portfolios.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(6) Impairment *(continued)*

Provisions for bad and doubtful debts arising from receivables *(continued)*

(b) Criteria for individual assessment

Bills receivable, accounts receivable, other receivables, and contract assets are usually assessed collectively as a group based on credit risk characteristics to make provisions. When a counterparty is significantly different from other counterparties in the group in terms of credit risk characteristics, or if there has been a significant change in its credit risk characteristics, the individual approach is adopted for receivables due from this counterparty.

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractual due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(6) Impairment *(continued)*

Significant increases in credit risk *(continued)*

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulties of the issuer or debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the debtor's financial difficulties, the Group having granted to the debtor a concession that it would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties of the issuer or debtor.

Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income and not deducted from the carrying amount of the assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(6) Impairment *(continued)*

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This generally occurs when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(7) Equity instruments

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

When the Company repurchases its own shares, those shares are treated as treasury shares. The entire repurchase expenditure is recorded as the cost of the treasury shares in the reference register. Treasury shares are excluded from profit distributions and are presented as a deduction from shareholders' equity on the balance sheet.

When treasury shares are cancelled, the share capital should be reduced to the extent of the total par value of the treasury shares cancelled. Where the cost of the treasury shares cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to the capital reserve (share premium).

When treasury shares are disposed of, any excess of proceeds above cost is recognised in capital reserve (share premium); otherwise, the shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(8) Convertible instruments

- Convertible instruments containing an equity component

Convertible instruments issued by the Group that can be converted to equity instruments of the Group, where a fixed number of equity instruments is issued in exchange for a fixed amount of consideration at the time of conversion, are accounted for as compound financial instruments containing both liability and equity components.

The initial carrying amount of a compound financial instrument is allocated to its equity and liability components. The Group first determines the fair value of the liability component which includes the fair value of any embedded derivatives other than the equity component. The amount allocated to the equity component is the residual amount after deducting the fair value of the liability component from the fair value of the entire compound instrument. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method, unless it is designated upon recognition as measured at fair value through profit or loss. The equity component is not re-measured.

When convertible instruments are converted, the Group transfers the liability component and equity component to equity related accounts. When the convertible instrument is redeemed, the price paid for redemption and the transaction costs incurred are allocated to the equity and liability components. The method of distributing the price and transaction costs is consistent with the distribution method adopted when the instrument is issued. After the price and transaction costs are distributed, the difference between the book value and the equity and liability components shall be included in equity if it is related to the equity component, and in profit and loss if it is related to the liability component.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11 Financial Instruments *(continued)*

(8) Convertible instruments *(continued)*

- Convertible instruments containing an equity component *(continued)*

If the convertible instrument is converted, the liability component is transferred to equity and the equity component remains as equity, both of which are transferred to the relevant captions in equity. If the convertible instrument is redeemed, the consideration paid for the redemption and the transaction costs that relate to the redemption are allocated to the liability and equity components. The method used to allocate the consideration and transaction costs is consistent with that used for the issue of the convertible instrument. After allocating the consideration and transaction costs, the relevant difference between the allocated amount and carrying amount of the liability component is recognised in profit and loss, and the relevant difference between the allocated amount and carrying amount of the equity component is directly recognised in equity.

- Other convertible instruments not containing an equity component

For other convertible instruments issued by the Group which do not contain an equity component, at initial recognition, the derivative component is measured at fair value, and the remainder of proceeds is recognised as the host liability component.

The derivative component is subsequently measured at fair value through profit or loss. The host liability component is subsequently carried at amortised cost using the effective interest method.

Upon conversion, the carrying amounts of the derivative and host liability components are transferred to the relevant captions in equity. If the instrument is redeemed, any difference between the redemption amount paid and the carrying amounts of both components is recognised in profit or loss.

(9) Preference shares and perpetual bonds

At initial recognition, preference shares and perpetual bonds issued by the Group or their components are classified as financial assets, financial liabilities or equity instruments based on their contractual terms and economic substance with reference to the definition of financial assets, financial liabilities and equity instruments.

Preference shares and perpetual bonds issued by the Group that should be classified as equity instruments are recognised in equity based on the actual proceeds received. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the preference shares and perpetual bonds are redeemed according to the contractual terms, the redemption amount is recognised as a deduction from equity.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

12 Inventories

(1) Categories

Inventories include raw materials, work in progress, finished goods, commissioned processing materials and turnover materials, etc.

Inventories are initially measured at cost. Cost of inventories include purchase costs, processing cost and other costs.

(2) Measurement method of cost of inventories

The actual costs of inventories are determined on specific identification, first-in, first-out, or weighted average methods depending on business types.

(3) Inventory count system

The perpetual inventory system is maintained for stock system.

(4) Amortisation method for low-value consumables and packaging materials.

Reusable materials include low cost and short-lived consumables, packaging materials, etc., which are amortised using either one-off amortisation method or multiple-stage amortisation method.

(5) Criteria and method for provision for obsolete inventories.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the cost of inventories is higher than the net realisable value, a provision for decline in value of inventories is recognised in profit or loss. If factors that previously resulted in the provision for decline in value of inventories no longer exist, the amount of the write-down is reversed. The reversal is limited to the amount originally provided for the provision for the decline in value of inventories, and is recognised in profit or loss of the current period.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realisable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

For inventories that relate to a product series that is produced and marketed in the same geographical area, have the same or similar uses or purposes, and cannot be practicably evaluated separately from other items, provision for decline in value of inventories can be determined on an aggregate basis. Provision for decline in value of other inventories is made based on the excess of cost of inventory over its net realisable value on an item-by-item basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

13 Non-current assets held for sale or disposal group

(1) Recognition criteria and accounting treatment methods of divided into non-current assets held for sale or disposal group

Non-current assets and disposal groups are classified as held for sale category when the Group recovers the carrying amount through a sale (including an exchange of nonmonetary assets that has commercial substance) rather than continuing use.

Non-current assets or disposal groups classified as held for sale are required to satisfy both of the following conditions: (1) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; (2) the sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

The Group measures the non-current assets or disposal groups classified as held for sale at the lower of their carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognised in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets are made. When there is increase in the net amount of fair value of assets classified as held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognised after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortised, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognised.

(2) Recognition criteria and presentation method of discontinued operations

The Group classifies a separate component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

- It represents a separate major line of business or a separate geographical area of operations;
- It is part of a single co-ordinated plan to dispose of a separate major line of business or a separate geographical area of operations;
- It is a subsidiary acquired exclusively with a view to resale.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

13 Non-current assets held for sale or disposal group *(continued)*

(2) Recognition criteria and presentation method of discontinued operations *(continued)*

Where an operation is classified as discontinued in the current period, profit or loss from continuing operations and profit or loss from discontinued operations are separately presented in the income statement for the current period. Profit or loss from continuing operation in the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

14 Long-term equity investments

(1) Judgment criteria for joint control and significant influence

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

(2) Determination of investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the share of the carrying amount of the shareholders' equity of the acquiree attributable to the ultimate controlling party at the date of combination. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition. For a business combination not involving enterprises under common control achieved in stages that involves multiple exchange transactions, the initial investment cost is carried at the aggregate of the carrying amount of the acquirer's previously held equity interest in the acquiree and the new investment cost incurred on the acquisition date. Except for long-term equity investment acquired through a business combination, other equity investment is initially measured at cost.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

14 Long-term equity investments *(continued)*

(3) Subsequent measurement and recognition of profit or loss

(a) Long-term equity investment measured under the cost method

The Company's financial statements measured the long-term equity investments of subsidiaries under the cost method. A subsidiary is the investee controlled by the Group.

Under the cost method, a long-term equity investment initial recognised at cost. Except for cash dividends or profits already declared but not yet paid that are included in the price or consideration actually paid upon acquisition of the long-term equity investment, investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

(b) Long-term equity investment measured under the equity method

The Group measured investments in associates and joint ventures under the equity method. An associate is an entity over which the Group has significant influence, and a joint venture is an entity over which the Group has joint control along with other investors.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments to be confirmed with the Group's accounting policies and accounting period. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures shall be eliminated when recognized investment income or loss to the extent that those attributable to the Group's equity interest. However, unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated if the trading assets do not form a business. Unrealised losses are resulted from the Group's transactions with its associates and joint ventures, the impairment losses on the transferred assets are not eliminated. Changes in other equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be included in capital reserve, with the carrying amount of long-term equity investment correspondingly adjusted.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

14 Long-term equity investments *(continued)*

(3) Subsequent measurement and recognition of profit or loss *(continued)*

(b) Long-term equity investment measured under the equity method *(continued)*

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently realised by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

(c) Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognised in profit or loss for the period. For long-term equity investment measured under the equity method, the portion of other comprehensive income recognized before the Group had controlled over the investee under equity method or the financial assets recognition and measurement standard should be treated referring to the same fundamental of disposing related assets and liabilities.

(d) Methods of impairment assessment approach and provision for impairment are set out in Note V. 20.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

15 Investment properties

The properties held by the Group for the purpose of earning rentals or for capital appreciation or for both purposes are categorised to investment property. The Group measures investment property under cost model, namely, investment properties are presented in balance sheet by cost deducting accumulated depreciation, amortisation and impairment loss. The investment properties are depreciated over its useful life by straight-line method after deducting estimated net residual value. The useful life, residual value rate and annual depreciation rate for various investment properties are as follows:

Item	Useful life (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	20-50	3-5	1.90-4.85
Land use rights	50	-	2.00

If the Group has conclusive evidence that the purpose for holding properties has changed and if one of the following conditions is met, the investment properties shall be converted into other assets, or other assets shall be converted into investment properties:

- The purpose for holding the property is changed to self-use;
- The self-use land use rights are stopped self-using, and changed to held for earning rentals or capital appreciation;
- Self-use buildings stopped self-using, and changed to for renting.

Under the cost model, the carrying amounts of the buildings remain unchanged before and after the purpose change.

Methods of impairment assessment and provision for impairment are set out in Note V. 20.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

16 Fixed assets

(1) Recognition criteria

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year.

The initial cost of purchased fixed assets includes purchase cost, relevant taxes and expenses attributable to the asset incurred before it reaches ready-to-use condition. The initial cost of self-constructed fixed assets is recognised in accordance with Note V. 17. The components of fixed assets, which have various useful life or contribute economic benefits to the Group in different ways, or at different depreciation rate or via different depreciation methods, will be recognised as individual fixed assets by the Group. The subsequent expenditure of fixed assets (including amount paid for replacing certain component of fixed assets), is recognised into cost of fixed assets if it qualifies recognition criteria. Meanwhile, the carrying amount of replaced component is deducted. The expense relating to routine maintenance of fixed assets is included in profit or loss when it is incurred. Fixed assets are presented on the balance sheet at cost less accumulated depreciation and impairment losses.

(2) Depreciation method

Category	Depreciation method	Depreciation period (year)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	Straight-line method	10-50	3-5	1.90-9.70
Machinery and equipment	Straight-line method	3-28	3-5	3.39-32.33
Office equipment and other equipment	Straight-line method	5-12	3-5	7.92-19.40
Transportation vehicles	Straight-line method	5-15	3-5	6.33-19.40

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period. The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at the end of each fiscal year, and makes adjustments when necessary. The Group does not make depreciation for overseas land ownership, which has no residual value.

(3) Methods of impairment assessment and provision for impairment are set out in Note V. 20.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

17 Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs.

Construction in progress is transferred to a fixed asset when it is ready for intended use. For purchased fixed assets, if the purchased fixed assets do not need to be installed, they can reach the expected serviceable status after the purchase acceptance; if the purchased fixed assets need to be installed, they will reach the intended serviceable condition after the installation and commissioning meet the design requirements or the standards specified in the contract. The self-constructed fixed assets are transferred into fixed assets when the project is completed and reaches the expected serviceable condition.

For sale of products or by-products generated before a fixed asset reaches ready-to-use condition, the relevant income and cost shall be accounted for separately and included in the current profit and loss in accordance with the requirements of the Accounting Standards for Business Enterprises No. 14 – Revenue and the Accounting Standards for Business Enterprises No. 1 – Inventories.

Methods of impairment assessment and provision for impairment are set out in Note V. 20.

18 Borrowing Costs

Borrowing costs are interests and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs include interests, amortisation of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

The borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred. Qualifying assets are assets that necessarily take a substantial period of time for construction or production to get ready for their intended use or sale.

The capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- Expenditures for the asset have incurred; and
- Borrowing costs are being incurred; and
- Activities relating to the construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

18 Borrowing Costs *(continued)*

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalised is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds;
- Where funds are borrowed under general-purpose borrowings, the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted by activities other than those necessary to prepare the asset for its intended use or sale, when the interruption is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense of the current period until the acquisition, construction or production is resumed.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs incurred subsequently are recognised as an expense in the period in which they are incurred.

19 Intangible assets

(1) Valuation method, useful life and impairment test

A purchased intangible asset is measured initially at cost. An intangible asset acquired in the combination not involving enterprises under common control, it shall be separately recognised as an intangible asset at its fair value on the acquisition date.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit period over which the asset is expected to generate economic benefits for the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

19 Intangible assets *(continued)*

(1) Valuation method, useful life and impairment test *(continued)*

The useful lives of the intangible assets are as follows:

Item	Useful life	Basis for determination
Land use rights	50-70 years	Legal right of use
Proprietary technology and technical know-how	3-25 years	The authorisation period agreed in the contract or the period for which economic benefits are expected to be brought to the Group
Software use rights	2-10 years	The authorisation period agreed in the contract or the period for which economic benefits are expected to be brought to the Group
Customer relationship	7-15 years	The period for which economic benefits are expected to be brought to the Group
Backlogs and technical service preferential orders	The period in which the services are rendered agreed in the contract	The period for rendering of services agreed in the contract

Land use rights acquired by the Group during the service period specified in the contract are accounted for as intangible assets. For buildings such as plants that are developed and constructed by the Group, the relevant land use rights and buildings are accounted for as intangible assets and fixed assets respectively. Payments for the land and buildings purchased are allocated between the land use rights and the buildings; if the payments cannot be reasonably allocated, all of the land use rights and buildings are accounted for as fixed assets.

An intangible asset with a finite useful life is amortised using the straight-line method over its useful life. For an intangible asset with a finite useful life, the Group reviews the useful life and the amortisation method at least at the end of each fiscal year and makes adjustment if necessary.

An intangible asset with an indefinite useful life is not amortised and its useful life is reviewed in each accounting period. If there is an evidence indicating that the useful life of the intangible asset is finite, it is accounted for using the above accounting policies applicable to intangible assets with finite useful lives.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

19 Intangible assets *(continued)*

(2) Collection scope of research and development expenditure and relevant accounting treatment methods

The Group classifies the expenditure on an internal research and development project into research expenditures and development expenditures.

Research expenditure is recognised as an expense in the period in which it is incurred.

Development expenditures which meet the criteria set out below shall be capitalised, that is, it is technically feasible to complete the intangible asset so that it will be available for use or sale; the Group has the intention to complete the intangible asset and use or sell it; the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset need to be proved; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development phase can be reliably measured. Expenditure on the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred. Research expenditure is recognised as an expense in the period in which it is incurred.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognises all of them in profit or loss for the period.

For sale of products or by-products generated during the research and development process, the relevant income and cost shall be accounted for separately and included in the current profit and loss in accordance with the requirements of the Accounting Standards for Business Enterprises No. 14 – Revenue and the Accounting Standards for Business Enterprises No. 1 – Inventories.

Methods of impairment assessment and provision for impairment are set out in Note V. 20.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

20 Impairment of long-term assets

The Group assesses at each balance sheet date whether there is any indication that long-term equity investment, fixed assets and construction in progress, investment properties, development expenditure, long-term deferred expenses and some other non-current assets under cost method, right-of-use assets and intangible assets with a finite useful life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on the basis of individual asset. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset is the higher of its fair value less disposal costs and the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognised in profit or loss for the period.

Goodwill is tested for impairment at least at each year end. When conduct impairment test for goodwill, it should be considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognised if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Once the above impairment loss is recognised, it cannot be reversed in any subsequent accounting periods.

21 Long-term deferred expenses

Long-term deferred expenses are expenses incurred that should be amortised over the current and subsequent periods (amortisation period of more than one year). Long-term deferred expenses are amortised using the straight-line method over the expected periods in which benefits are derived.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

22 Employee benefits

Employee benefits are all forms of remuneration and compensation given by an entity in exchange for services rendered by employees or for the termination of employment and other remunerations. Employee benefits include short-term benefit, Retirement benefits, termination benefits and other long-term employee benefits. The benefits the Group provided to employees' spouse, children, dependent, and families of deceased employees and other beneficiaries also belong to employee benefits.

(1) Accounting for short-term employee benefits

During the accounting period in which the employees provide services, the Group's actual short-term remuneration is recognised as liabilities and included in the profits or losses of the current year or recognised as respective assets costs.

Regarding to the health insurance, industrial injury insurance, maternity insurance and other social insurances, housing fund and labour union expenditure and personnel education that the Group paid for employees, the Group should recognise corresponding employees benefits payable and include these expenses in the profits or losses of the current year or recognised as respective assets costs.

(2) Accounting for retirement benefits

Retirement benefits are classified into defined contribution plans and defined benefit plans.

In an accounting period in which an employee has rendered service to the Group, the amount payable calculated in accordance with the defined contribution plan is recognised as a liability and charged to profit or loss in the period, or included in cost of related assets.

For defined benefit plans, the independent actuary makes actuarial estimation to determine cost of benefits offered and attributable period by using projected unit credit method. Defined benefit costs are categorised as follows:

- (i) Service costs include current service cost, past service cost, as well as gains and losses on and settlements. Current service cost refers to the increase amount of present value of defined benefit obligation arising from service rendered in current year; past service cost refers to the change of present value of defined benefit obligation arising from modification of defined benefit plans;
- (ii) Net interest expense or income net of liabilities or assets (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling;
- (iii) Changes arising from remeasurement of net liabilities or net assets of defined benefit plans (including actuarial gains and losses).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

22 Employee benefits *(continued)*

(2) Accounting for retirement benefits *(continued)*

Unless benefits costs recognised in the cost of assets are required or permitted by other standards, the Group presents the above (i) and (ii) in profit or loss while (iii) in other comprehensive income, which will not be reversed to the profit or loss during the subsequent accounting period.

The defined benefit plans provided by the Group are set out in Note VII. 42.

(3) Accounting for termination benefits

When the Group terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision shall be recognised for the compensation arising from termination of employment relationship with employees, with a corresponding charge to the profit or loss for the current year, at the earlier of when:

- (i) The Group cannot unilaterally withdraw from the termination plan or the redundancy offer; or
- (ii) The Group recognises costs relating to termination benefits payment in respect of restructuring.

23 Provisions

Except for contingent consideration arised and contingent liabilities undertaken in business combinations, the Group recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied: (i) the obligation is a present obligation of the Group; (ii) it is probable that an outflow of economic benefits will be required to settle the obligation; and; (iii) the amount of the obligation can be measured reliably. A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at each balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

Provisions are recognised when the Group has a present obligation related to a contingency such as warranty provisions/onerous contract/outstanding litigations, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into consideration of the factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

24 Share-based payments

(1) Classification of share-based payments

Share-based payment transactions in the Group are classified as equity-settled share-based payments and cash-settled share-based payments.

(2) Accounting treatment of share-based payments

- Equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from employees, the payment is measured at the fair value of the equity instruments granted to employees at the grant date. If the equity instruments granted to employees vest immediately, the fair value of the equity instruments granted is fully recognised as costs or expenses on the grant date, with a corresponding increase in capital reserve. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to newly obtained subsequent information regarding changes in the number of employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

When the Group receives services but has no obligation to settle the transaction because the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group also classifies the transaction as equity-settled.

- Cash-settled share-based payments

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the services received from employees are measured at the fair value of the liability incurred. If a cash-settled share-based payment vests immediately, the Group immediately recognises on the grant date the costs or expenses and the liability incurred at the fair value of the liability incurred. If a cash-settled share-based payment does not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises costs or expenses as services are received, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. Until the liability is settled, the enterprise shall remeasure the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognised in profit or loss for the current period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

24 Share-based payments *(continued)*

(2) Accounting treatment of share-based payments *(continued)*

- Cash-settled share-based payments *(continued)*

When the Group receives services and has the obligation to settle the transaction, but the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group classifies the transaction as cash-settled.

25 Revenue

(1) Accounting policy for recognition and measurement of revenue from contracts with customers according to business type

The revenue of the Group is mainly generated from business types as follows:

- (i) Revenue from selling of goods;
- (ii) Revenue from rendering of services

The Group shall recognise revenue when the Group satisfies a performance obligation in the Contract, namely, when the customer obtains control over relevant goods or services, which is based on the transaction price allocated to the performance obligation. A performance obligation represents the commitment that a good and service that is distinct shall be transferred by the Group to the customer. Transaction price refers to the consideration that the Group is expected to receive due to the transfer of goods or services to the customer, but it does not include payments received on behalf of third parties and amounts that the Group expects to return to the customer.

Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following conditions is met: (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (ii) the customer is able to control goods in the progress during the Group's performance; (iii) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognised at a point of time when the customer obtains control over the relevant goods or services.

For performance obligations performed over time, the Group adopts input method to determine the appropriate progress of performance, that is, the progress of the performance is determined according to the Group's input for fulfilling its performance obligations. Where the progress cannot be determined reasonably, the revenue is recognised based on the amount of cost that is expected to be compensated based on the cost already incurred, until the progress of performance is reasonably determined.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

25 Revenue *(continued)*

(1) Accounting policy for recognition and measurement of revenue from contracts with customers according to business type *(continued)*

The specific accounting policies related to the main activities of the Group to obtain revenue are described as follows: for rail transit equipment and its extension products, the Group recognizes revenue at the time when the customer obtains the right to control the goods, that is, when the goods are signed or accepted for handover; For rail transit equipment extension services, as customers obtain and consume the economic benefits brought by performance at the same time of performance, it is a performance obligation performed within a certain period of time, and the Group recognizes revenue according to the performance progress.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to single performance obligation according to relative proportion of the stand-alone selling prices of the goods or services promised by single performance obligation. However, where there is conclusive evidence that the contract discount or variable consideration is only related to one or more (not all) performance obligations in the contract, the Group shall allocate the contract discount or variable consideration to relevant one or more performance obligations. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximize the use of observable inputs and apply estimation methods consistently in similar circumstances.

If the contract includes consideration payable to a customer (for example, supplier nomination fee, etc.), the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service, and recognised the reduction of revenue when (or as) the later of either of the following events occurs: 1) the Group recognises revenue for the transfer of the related goods or services to the customer; and 2) the Group pays or promises to pay the consideration.

For sales with quality assurance terms, if the quality assurance provides a separate service to the customer other than ensuring that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Group will account for the quality assurance responsibility in accordance with the Accounting Standards for Business Enterprises No. 13 – Contingencies.

If the contract contains a significant financing component, the Group determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when “control” of the goods or services is obtained by the customer. The difference between the transaction price and the contract consideration shall be amortised within the contract period using effective interest rate. If the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the Group needs not to consider the significant financing component.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

25 Revenue *(continued)*

(1) Accounting policy for recognition and measurement of revenue from contracts with customers according to business type *(continued)*

The Group determines whether it is a principal or an agent at the time of the transaction based on whether it owns the “control” of the goods or services before the transfer of such goods or services to the customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and the revenue shall be recognised based on the total consideration received or receivable; otherwise, the Group is an agent, and the revenue shall be recognised based on the amount of commission or handling fee that is expected to be charged, and such amount is determined based on the net amount of the total consideration received or receivable after deducting the prices payable to other related parties or according to the established commission amount or proportion.

For a change in the scope or price of a contract that is approved by the parties to the contract, the Group accounts for the contract modification according to the following situations:

- (i) The addition of promised goods or services are distinct and the price of the contract increases by an amount of consideration reflects stand-alone selling prices of the additional promised goods or services, the Group shall account for a contract modification as a separate contract;
- (ii) If the above criteria are not met, and the remaining goods or services are distinct from the goods or services transferred on the date of the contract modification, the Group accounts for the contract modification as if it were a termination of the existing contract and the creation of a new contract;
- (iii) If the above criteria are not met, and the remaining goods or services are not distinct from the goods or services transferred on the date of the contract modification, the Group accounts for the contract modification as if it were a part of the existing contract. The effect that the contract modification has on the revenue is recognised as an adjustment to revenue in the reporting period.

When the Group collects amounts of sold goods or services in advance from the customer, the Group will firstly recognise the amounts as a liability and then transfer to revenue until satisfying relevant performance obligations.

Contract asset refers to the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Accounting policies relating to contract asset are specified in Note V. 11. The Group’s unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

25 Revenue *(continued)*

(1) Accounting policy for recognition and measurement of revenue from contracts with customers according to business type *(continued)*

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

Contract assets and contract liabilities under the same contract are presented at net amount.

Except for the income arising from contracts with customers, income of the Group includes interest income and lease income from daily operating activities. Relevant accounting policies are detailed in Note V. 11 and V. 28.

26 Contract costs

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

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract that it would not have incurred if the contract had not been obtained, e.g. an incremental sales commission. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- (i) the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;
- (ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (iii) the costs are expected to be recovered.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

26 Contract costs *(continued)*

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- (ii) the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

27 Deferred tax assets/Deferred tax liabilities

The income tax expenses include current income tax and deferred tax. Except for that (1) goodwill arising from the business combination or (2) the current income tax and deferred income tax related to transactions or events recognised in other comprehensive income or shareholders' equity are included in other comprehensive income or shareholders' equity, other current income tax and deferred income tax expenses or gains are included in profit or loss for the period.

(1) Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid according to the taxation laws and regulations.

(2) Deferred tax assets/deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

A deferred tax liability is recognised for all taxable temporary differences, except:

- Where taxable temporary differences arise from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, it affects neither accounting profit nor taxable profit or loss;
- For taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

27 Deferred tax assets/Deferred tax liabilities *(continued)*

(2) Deferred tax assets/deferred tax liabilities *(continued)*

A deferred tax asset is recognised for deductible temporary differences, carry forward of unused deductible tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of deductible tax losses and tax credits can be utilised, except:

- Where the deferred tax asset arises from a transaction that is not a business combination and, at the time of the transaction, neither affects the accounting profit nor taxable profit or loss;
- Deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss).

At the balance sheet date, deferred income tax assets and liabilities are measured, subject the tax laws, at the applicable rate in the period in which deferred tax assets or liabilities are expected to be realised or settled, and the tax effects arising from the expected reversal of assets or liabilities are reflected at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

Deferred tax assets and deferred tax liabilities are offset and presented on a net basis if the Group has a legal right to set off the current tax assets against current tax liabilities on a net basis and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28 Leases

As the judgement basis and accounting treatment method for the lessee to simplify short-term lease and low value asset lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into on the date of initial application, the Group assesses whether a contract is or contains a lease at commencement date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(1) As a lessee

(a) Allocation

For a contract that contains one or more lease component and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

(b) Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of use asset is initially measured at cost. This cost includes:

- The initial measurement amount of the lease liabilities;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the Group; and
- An estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, excluding the costs that are incurred to produce inventories.

After the commencement date of the lease, the carrying amount of right-of-use assets shall be adjusted when lease liability is remeasured.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28 Leases *(continued)*

As the judgement basis and accounting treatment method for the lessee to simplify short-term lease and low value asset lease *(continued)*

(1) As a lessee *(continued)*

(b) Right-of-use assets *(continued)*

The Group makes depreciation for the right-of-use assets in accordance with the relevant depreciation regulations under the Accounting Standards for Business Enterprises No. 4-Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

For the method of testing the impairment of the right-of-use asset and the method of determining impairment provision, please refer to Note V. 20 for details.

(c) Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Lease payment refers to the amount paid by the Group to the lessor relating to the right to use an underlying asset during the lease term, including:

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- Variable lease payments depending on the index or ratio;
- The exercise price of a purchase option reasonably certain to be exercised by the Group;
- Payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate; and
- Amounts expected to be paid under residual value guarantees.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28 Leases *(continued)*

As the judgement basis and accounting treatment method for the lessee to simplify short-term lease and low value asset lease *(continued)*

(1) As a lessee *(continued)*

(c) Lease liabilities *(continued)*

The variable lease payments, depending on the index or ratio, are determined at the initial measurement based on the index or proportion at the beginning of the lease term. The variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss or related asset costs when incurred.

After the commencement date of the lease term, the Group calculates the interest expense of the lease liabilities for each period of the lease term based on a fixed periodic interest rate, and includes it in profit and loss or related asset costs.

After the commencement date of the lease term, the Group re-measures the lease liabilities and adjusts the corresponding right-of-use asset in the following circumstances. If the book value of the right-of-use asset has been reduced to zero, while the lease liabilities still need to be further reduced, the difference shall be included in the profit and loss:

- The Group re-measures the lease liabilities based on the present value of the post-change lease payments and the revised discount rate as a result of changes in the lease term or changes in the purchase option;
- The Group re-measures the lease liabilities based on the present value of the changed lease payments and the original discount rate, based on the amount of the amount payable or the index or proportion used to determine the lease payments. If the change in lease payments comes from changes in floating interest rates, the revised discount rate shall be adopted to calculate the present value.

(d) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to short-term leases of housing and buildings, machinery and equipment, motor vehicles, office equipment and other equipment and leases of low-value assets. Short-term leases are leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. A lease of low value asset refers to a single lease asset, when new, is of low value.

Lease payments on short-term leases and leases of low-value assets are recognised in profit or loss or the cost of underlying assets on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28 Leases *(continued)*

As the judgement basis and accounting treatment method for the lessee to simplify short-term lease and low value asset lease *(continued)*

(1) As a lessee *(continued)*

(e) Lease modifications

The Group accounts for a lease modification as a separate lease if there is a lease modification and both of the following apply:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

If the scope of the lease is narrowed or the lease term is shortened as a result of the lease modification, the Group reduces the carrying amount of the right-of-use assets accordingly, and record the relevant gains or losses of partial or complete termination of the lease into the current profit and loss. In case of remeasurement of lease liabilities due to other lease modifications, the Group adjusts the carrying amount of the right-of-use assets accordingly.

(2) Sales and lease back

The Group acts as the seller and lessee

The Group determines whether the asset transfer in the sale and leaseback transaction is a sale in accordance with Note V. 25. If the transfer of assets is not a sale, the Group continues to recognise the transferred assets and recognises a financial liability equal to the transfer income, and accounts for the financial liabilities in accordance with Note V.11. Where the transfer of assets belongs to sales, the Group measures the right-of-use assets formed by the sale and leaseback based on the portion of the original asset's book value that is related to the use rights obtained from the leaseback, and only recognises the relevant gains or loss of the rights to transfer to the lessor.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28 Leases *(continued)*

Lease classification standard and accounting treatment method as lessor

(1) As a lessor

(a) Allocation

Where the contract includes both the lease and non-lease components, the Group apportions the contract consideration according to the provisions of Note V. 25 on the transaction price sharing. The basis of the apportionment is the individual selling price of the leased part and the non-lease part.

(b) Classification of lease

A lease that has substantially transferred almost all the risks and rewards related to the ownership of the leased asset is a financial lease. Leases other than finance leases are operating leases.

(i) The Group records the operating lease business as a lessor

During each period of the lease term, the Group uses the straight-line method to recognise the lease payments from operating leases as rental income. The initial direct costs incurred by the Group in relation to the operating leases are capitalised at the time of the acquisition, and are recognised in profit or loss.

(ii) The Group records the finance leasing business as a lessor

The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The amount of the lease receivable refers to the amount that the Group should collect from the lessee for the purpose of transferring the leased assets during the lease term, including:

- The fixed payment amount and the substantial fixed payment amount to be paid by the lessee, if there is a lease incentive, the amount related to the lease incentive is deducted;
- Variable lease payments depending on the index or ratio;
- The exercise price of the purchase option, provided that it is reasonably determined that the lessee will exercise the option;

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28 Leases *(continued)*

Lease classification standard and accounting treatment method as lessor *(continued)*

(1) As a lessor *(continued)*

(b) Classification of lease *(continued)*

(ii) The Group records the finance leasing business as a lessor (continued)

- The lessee exercises the amount to be paid for the termination of the lease option, provided that the lease period reflects the lessee's exercise of the option to terminate the lease;
- The residual value of the guarantee provided by the lessee, the party concerned with the lessee and the independent third party with the financial ability to perform the guarantee obligation.

The Group calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate.

(c) Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

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

- The modification expands the scope of the lease by increasing the right to use one or more leased assets;
- The increased consideration is equal to the individual price of the expanded portion of the lease, as adjusted by the contractual situation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28 Leases *(continued)*

Lease classification standard and accounting treatment method as lessor *(continued)*

(1) As a lessor *(continued)*

(c) Lease modification *(continued)*

If the modification of the finance lease is not treated as a separate lease, the Group will deal with the lease modification in the following cases:

- If the lease is classified as an operating lease when the change becomes effective on the lease start date, the Group begins accounting as a new lease from the effective date of the lease change and uses the net lease investment before the effective date of the lease change as the book value of the leased asset;
- If the change is effective on the lease start date and the lease is classified as a finance lease, the Group performs accounting treatment in accordance with the "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments" provisions for the modification or re-arrangement of contracts.

(2) Sales and leaseback

The Group acts as the buyer and lessor

If the asset transfer in the sale and leaseback transaction is not a sale, the Group does not recognise the transferred asset, but recognises a financial asset equal to the transfer income and performs accounting treatment on the financial asset in accordance with Note V. 11. If the asset transfer belongs to sales, the Group will account for the asset purchase according to other applicable accounting standards and conduct accounting treatment for the asset lease.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

29 Other significant accounting policies and accounting estimates

1. Other significant accounting policies

(1) Profit distribution

The proposed dividend distribution after balance sheet date will not be included in liabilities on balance sheet date, and will be disclosed individually in notes.

(2) Production safety expenses

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period, and provided as a fund in the special reserve. When the expenditures are utilised as expenses, they should be recognised in the statement of profit or loss and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognised in the cost of fixed assets, which will be recognised when it is ready for use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

(3) Debt restructuring

Recording debt restructuring obligation as a creditor

When a debt is settled by assets in a debt restructuring, the assets other than the transferred financial assets are initially recognised and measured at cost, including other costs such as the fair value of abandoned creditor's rights and taxes directly attributable to the asset. The difference between the fair value and the carrying amount of the abandoned creditor's right is included in the current profit or loss.

Where debt restructuring is carried out by modifying other terms, the Group recognises and measures the debt restructuring in accordance with the accounting policies described in Note V. 11.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

29 Other significant accounting policies and accounting estimates *(continued)*

1. Other significant accounting policies *(continued)*

(4) Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the state and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

2. Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions, which will affect the presented amounts of revenue, cost, assets and liabilities and the disclosure of contingent liabilities on balance sheet date. However, the uncertainty of assumptions and estimates may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods.

The following is key assumption and uncertainty in accounting estimates at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods.

(1) Credit loss allowance for receivables and contract assets

Except for that the Group recognises credit loss for receivables and contract assets that are individually significant or have credit impaired on an individually basis, the Group determines the expected credit loss of receivables and contract assets on a collectively basis using a provision matrix. For receivables and contract assets whose credit loss are determined individually, the Group determines the credit loss by estimating the expected cash flows based on reasonable and evidenced information available on the balance sheet date with forward- looking information taken into consideration. For receivables and contract assets other than the above, the Group, based on the historical collection condition, determines the proportion of corresponding loss provision for each type of receivables and contract assets with similar credit risk characteristics on a portfolio basis. The provision matrix is based on the Group's historical credit loss experience and is based on reasonable and evidence-based forward-looking information that is available without undue cost or effort. As at 31 December 2024, the Group has reassessed the historical actual credit loss rate and considered changes in forward-looking information.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

29 Other significant accounting policies and accounting estimates *(continued)*

2. Significant accounting estimates and judgements *(continued)*

(2) Impairment of goodwill

For goodwill arising from business combination, the Group tests it for impairment at the year end. Impairment test requires an estimate of the recoverable amount of the relevant asset group containing goodwill, that is, the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. In determining the present value of the future cash flows of the relevant asset group or the fair value of such asset group under equity method, the Group needs to properly determine the expected growth rate of future cash flow prediction of related asset group, the gross profit margin, the investment income proportion of long-term assets, average growth rate and reasonable discount rate, etc. When the market conditions change, the recoverable amount of the relevant asset group may differ from the existing estimates, which will affect the profit and loss for the period. Relevant details of impairment of goodwill are set out in Note VII. 24.

(3) Depreciation and amortisation of investment properties, fixed assets and intangible assets

Investment properties, fixed assets and intangible assets with a definite life are depreciated and amortised in their useful lives respectively by the Group after considering residual values. The Group reviews useful life of assets periodically so as to determine the amounts for depreciation and amortisation in each reporting period. The useful life of assets is determined on the basis of previous experiences and estimated technology upgrading. If prior estimates change significantly, make adjustment to depreciation and amortisation expenses.

(4) Supplementary pension benefits and other supplementary benefits plan liabilities

The Group has recognised supplementary pension benefits and other supplementary benefits plan as liabilities. The estimated amounts of such benefits expenses and liabilities are calculated on the basis of various assumption conditions, including discount rate, growth rate of related benefits and others. The difference between actual results and actuarial assumption may affect the accuracy of accounting estimations. The changes in above assumptions will affect amount of liabilities for supplementary pension benefits and other supplementary benefits plan liabilities, even though the management considers the assumptions are reasonable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

29 Other significant accounting policies and accounting estimates *(continued)*

2. Significant accounting estimates and judgements *(continued)*

(5) Provision for impairment of inventories

The Group determines the write-down for obsolescence and slow movement of inventories. These estimates are made with reference to aged inventory analyses, projections of expected future salability of goods and management experience and judgement. Based on this review, write-down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable values. Due to changes in market conditions, actual salability of goods may be different from estimation and profit or loss could be affected by differences in this estimation.

(6) Deferred tax assets

Besides the exceptions that have been illustrated in the Note V. 27, deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(7) Long-term assets impairment (excluding goodwill)

The Group determines if there is any indication showing impairment in long-term assets other than goodwill on balance sheet date. If there is any indication that it is unlikely to recover the carrying amount, the Group will make impairment assessment. Where the carrying amount of assets or assets group is higher than recoverable amount, namely the higher of net amount of fair value less disposal expense, and the present value of future estimated cash flow, the Group determines that impairment exists. The management must make estimation on future cash flow of such assets or assets group, and select reasonable discount rate to determine the present value of future cash flow.

(8) Warranties for product quality

Based on the recent experience in product maintenance, the Group will estimate the provisions for aftersales quality maintenance commitment provided to customers for the sale, maintenance and transformation of locomotives, vehicles and spare parts. As the recent maintenance experience may not reflect the maintenance situation of the sold products in the future, the management's judgments are required to estimate the provisions. Any increase or decrease in the provision would affect profit or loss in future years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

30 Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

In 2024, the Group implemented the relevant provisions and guidelines of enterprise accounting standards promulgated by the Ministry of Finance in recent years, mainly including:

- Provisions on the Division of Current Liabilities and Non-current Liabilities in the Interpretation of Enterprise Accounting Standards No. 17 (Accounting [2023] No. 21) (hereinafter referred to as Interpretation No. 17);
- Accounting treatment of guarantee quality assurance that does not belong to individual performance obligations in the Interpretation of Enterprise Accounting Standards No. 18 (Accounting [2024] No. 24) (hereinafter referred to as Interpretation No. 18).

(a) The main impact of the Group's adoption of the above provisions and guidelines

- (1) Provisions on the division of current liabilities and non-current liabilities According to Interpretation No. 17, when classifying the liquidity of the liabilities, the Group only considers whether the Group has a substantive right to postpone the liquidation of the liabilities to more than one year after the balance sheet date (hereinafter referred to as the right to defer the liquidation of liabilities), and does not consider whether the Group has a subjective possibility of exercising the above rights. For liabilities arising from the Group's loan arrangement, if the Group's right to defer the liquidation of liabilities depends on whether the Group has complied with the conditions specified in the loan arrangement (hereinafter referred to as the contract terms), the Group will only consider the contractual conditions to be followed on or before the balance sheet date when dividing the liquidity of the relevant liabilities, and does not consider the impact of the contractual terms that the Group should follow after the balance sheet date.

For the liabilities settled by the Group through the delivery of its own equity instruments with the choice of the counterparty, if the above option is classified as an equity instrument and separately recognized as an equity component of the composite financial instrument in accordance with the provisions of Enterprise Accounting Standard 37, it will not affect the liquidity division of the liability; conversely, if the above option cannot be classified as equity instruments, it will affect the liquidity division of the liability.

The adoption of the above provisions has not had a significant impact on the financial situation and operating results of the group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

30 Changes in significant accounting policies and accounting estimates *(continued)*

(1) Changes in significant accounting policies *(continued)*

(a) The main impact of the Group's adoption of the above provisions and guidelines *(continued)*

(II) Accounting treatment of warranty quality assurance that is not a single performance obligation According to the provisions of Interpretation No. 18, the Group counts the guaranteed warranty fees as "operating costs" and is no longer included in "sales expenses".

The Group uses the retroactive adjustment method to adjust the financial statement data for comparable periods accordingly.

(b) The impact of the change on the current year's financial statements The impact of the above accounting policy changes on the items of the consolidated income statement in 2024 is summarized as follows:

	RMB'000
	Adopt the changed accounting policy to increase/(reduce) the amount of statement items
Operating Cost	4,188,673
Sales Expense	(4,188,673)

(c) The impact of changes on the financial statements during the comparison period The impact of the above-mentioned accounting policy changes on the items of the 2023 consolidated income statement is summarized as follows:

	Before adjustment	Adjustment Amount	RMB'000 Adjusted
Operating Cost	182,101,404	4,035,204	186,136,608
Sales Expense	9,184,750	(4,035,204)	5,149,546

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VI. Taxes

1 Major categories of taxes and tax rates

Summary of major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate
VAT	Output VAT is calculated by applying applicable rate to the taxable income, less deductible input VAT of the current year.	6 – 13%
City maintenance and construction tax	Computed by value added tax payable	5 – 7%
Enterprise income tax	Computed by taxable income	25%

2 Tax incentive

(1) VAT

According to The Notice of the MoF and the State Administration of Taxation on the Policy of Value Added Tax on Software Products (Cai Shui [2011] No. 100), the part of the actual tax burden of VAT exceeding 3% was levied and refunded upon collection, when CRRC Information Technology, CRRC Qiqihar Group, CRRC Sifang Institute and CRRC Dalian Institute, CRRC Zhuzhou Institute, CRRC Zhuzhou Locomotive and its holding subsidiaries sell their self-developed and self-produced software products in 2024.

According to the Announcement on the Additional VAT Deduction Policy for Advanced Manufacturing Enterprises (Announcement No. 43 [2023] of the State Administration of Taxation of the Ministry of Finance), some subsidiaries of the Group will be eligible to offset the VAT payable by an additional 5% of the deductible input tax of the current period as advanced manufacturing enterprises from 1 January 2023 to 31 December 2027.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VI. TAXES (continued)

2 Tax incentive (continued)

(2) Enterprise income tax

As approved by relevant Provincial Department of Science and Technology, Provincial Department of Finance, Provincial Office of the State Administration of Taxation, and Provincial Local Taxation Bureau, CRRC Industrial Institute and CRRC Nanjing Puzhen obtained highpaytech enterprise certificate in 2024, and is subject to an enterprise income tax at a reduced rate of 15% from 2024 to 2026.

CRRC Dalian obtained the high-tech enterprise certificate in 2021, and the corporate income tax rate will be reduced by 15% from 2021 to 2023. At the end of 2024, CRRC Dalian recognized and reported in the second batch of high-tech enterprises by accreditation agency of Dalian in 2024, which is expected to still pay enterprise income tax at tax rate of 15% in 2024.

As approved by Beijing Municipal Science & Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Office of the State Administration of Taxation and Beijing Local Taxation Bureau, CRRC Information Technology obtained high-tech enterprise certificate in 2022, and is subject to an enterprise income tax at a reduced rate of 15% from 2022 to 2024.

As approved by relevant Provincial Department of Science and Technology, Provincial Department of Finance, Provincial Office of the State Administration of Taxation, and Provincial Local Taxation Bureau, CRRC Changchun, CRRC Zhuzhou Institute, CRRC Zhuzhou Locomotive, CRRC Qishuyan, CRRC Yongji Moto, CRRC Zhuzhou Moto, CRRC Datong, CRRC Tangshan and CRRC Qishuyan Institute obtained high-tech enterprise certificate in 2023, and are subject to an enterprise income tax at a reduced rate of 15% from 2023 to 2025.

As approved by relevant Municipal Department of Science and Technology, Municipal Department of Finance, Municipal Office of the State Administration of Taxation, and Municipal Local Taxation Bureau, CRRC Sifang Institute and CRRC Dalian Institute obtained high-tech enterprise certificate in 2023, and is subject to an enterprise income tax at a reduced rate of 15% from 2023 to 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VI. TAXES (continued)

2 Tax incentive (continued)

(2) Enterprise income tax (continued)

According to the Announcement on Continuing the Enterprise Income Tax Policy of the Western Development Strategy issued by the MoF, the General Administration of Customs and the State Administration of Taxation ([2020] No. 23), for the period from 1 January 2021 to 31 December 2030, the enterprise income tax imposed upon any enterprise established in western regions and included among the encouraged industries shall be collected at the reduced rate of 15%. As approved by the Sichuan Provincial Office of the State Administration of Taxation, CRRC Ziyang and Chongqing Smart Rail Transit is subject to an enterprise income tax at a reduced rate of 15% since its primary business is included among the encouraged industries.

According to the PRC Enterprise Income Tax Law and its implementing regulations, as well as the Notice of the MoF and the State Administration of Taxation on Extending the Period for Carryover of Losses of High-tech Enterprises and Small and Medium-sized Technological Enterprises (Cai Shui [2018] No.76), the enterprises with the qualification of high-tech enterprises or small and medium-sized technological enterprises (hereinafter referred to as "qualification") in 2018, are allowed to carry forward the losses occurred from 2013 to 2017 that have not yet been covered to subsequent years, regardless of whether they are the enterprises with the qualification from 2013 to 2017. The maximum carry-over period is 10 years. Enterprises that are qualified from the year after 2018 carry forward losses to offset tax on the same basis. A number of companies under the Group, as high-tech enterprises, will carry forward the deductible losses for 10 years since 2018 according to the provisions.

According to the Notice of MoF and SAT on Further Improvements to the Policy of Weighted Pre-tax Deduction for R&D Expenses(Cai Shui [2023] No. 7) and the Notice of MoF and SAT on Increasing the Proportion of Weighted Pre- tax Deduction for R&D Expenses, since 1 January 2023, for some subsidiaries of the Group, the R&D expenses, which do not form intangible assets and are included in the current P/L, can be deducted in accordance with provisions, with 100% of the actual amount deducted before tax additionally. If intangible assets are formed, 200% of R&D expenses can be deducted before tax during the aforementioned period with the aim of motivating R&D activities.

According to the Inland Revenue (Amendment) (No. 2) Ordinance 2016 of the Government of the Hong Kong Special Administrative Region of the PRC ("the Amendment"), CRRC Hong Kong Capital Management is a qualified enterprise treasury center, therefore, the taxable profit from the business types specified in the Amendment (such as certain types of fund lending business, financial asset investment business, etc.) is subject to a preferential tax rate of 8.25%, and the statutory tax rate of 16.5% is still applicable to enterprise business.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

1 Cash and bank balances

RMB'000

Item	Closing balance	Opening balance
Cash on hand	2,810	1,015
Bank deposits	65,058,728	54,983,674
Other cash and bank balances	2,450,954	945,144
Total	67,512,492	55,929,833
Including: Total amount deposited overseas	5,218,039	5,467,298

Other descriptions:

Restricted funds of the Group:

RMB'000

Item	Closing balance	Opening balance
Statutory reserve deposited by CRRC Finance at central bank	2,014,017	1,747,985
Guarantee deposits for acceptances	713,213	641,802
Guarantee deposits for letter of credit	20,866	20,559
Guarantee deposits for letter of guarantee	94,607	113,994
Other deposits subject to restrictions	2,412,616	170,269
Total	5,255,319	2,694,609

As at 31 December 2024, the term deposits that have not been pledged or restricted for use for three months or over three months is RMB15,704,062,000 (as at 31 December 2023: RMB7,168,199,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Held-for-trading financial assets

RMB'000

Item	Closing balance	Opening balance	Rationale and basis for designation
Investments in equity instruments	4,373,071	3,834,853	/
Derivatives	-	2,541	/
Others (Note)	3,849,201	5,095,334	/
Total	8,222,272	8,932,728	/

Other descriptions:

Note Others are mainly short-term floating income wealth certificate of deposits purchased by the Group.

3 Bills receivable

(1) Category of bills receivable

RMB'000

Item	Closing balance	Opening balance
Bank acceptances	1,127,735	1,337,169
Commercial acceptances	10,278,622	10,525,991
Less: Credit loss allowance	(13,404)	(19,254)
Total	11,392,953	11,843,906

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

3 Bills receivable *(continued)*

(2) Bills receivable pledged at the end of the year

RMB'000

Item	Pledged amount at the end of the period
Bank acceptances	10,769
Commercial acceptances	7,105
Total	17,874

(3) Bills receivable endorsed or discounted but not matured at the balance sheet date

RMB'000

Item	Amount not derecognised at the end of the period
Bank acceptances	501,092
Commercial acceptances	1,900,239
Total	2,401,331

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Bills receivable (continued)

(4) Analysis of bill receivable by categories based on method of provision for credit loss allowance

RMB'000

Category	Closing balance					Opening balance				
	Book value		Credit loss allowance		Carrying amount	Book value		Credit loss allowance		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision on portfolio basis	11,406,357	100.0	(13,404)	0.12	11,392,953	11,863,160	100.0	(19,254)	0.16	11,843,906
Total	11,406,357	100.0	(13,404)	/	11,392,953	11,863,160	100.0	(19,254)	/	11,843,906

Provision on portfolio basis:

Item	Closing balance		Proportion (%)
	Bill receivable	Credit loss allowance	
Bank acceptances	1,127,735	-	0.0
Commercial acceptances	10,278,622	(13,404)	0.1-2.0
Total	11,406,357	(13,404)	/

Provision on ECL basis:

RMB'000

Credit loss allowance	Lifetime ECL (Non-credit impaired)	Total
Balance at 31 December 2023	19,254	19,254
Provision	14,466	14,466
Reversal	(20,316)	(20,316)
Balance at 31 December 2024	13,404	13,404

Other descriptions:

As at 31 December 2024, bills receivable due from related parties are set out in Note XII. 5.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Accounts receivable

(1) Aging analysis of accounts receivable

RMB'000

Ageing	Closing book value	Opening book value
Within 1 year	95,841,303	94,221,825
1 – 2 years	11,280,588	8,666,945
2 – 3 years	4,207,887	3,645,018
3 – 4 years	2,056,960	832,952
4 – 5 years	504,569	980,253
Over 5 years	3,120,015	2,883,918
Sub-total	117,011,322	111,230,911
Less: Credit loss allowance	(6,166,873)	(5,525,084)
Total	110,844,449	105,705,827

The aging of accounts receivable of the Group is classified based on the related invoice dates.

(2) Analysis of accounts receivable by categories based on method of provision for credit loss allowance

RMB'000

Category	Closing balance					Opening balance				
	Book value		Credit loss allowance		Carrying amount	Book value		Credit loss allowance		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision on individual basis	4,885,862	4.2	(3,288,942)	67.3	1,596,920	4,526,798	4.1	(3,087,057)	68.2	1,439,741
Provision on portfolio basis	112,125,460	95.8	(2,877,931)	2.6	109,247,529	106,704,113	95.9	(2,438,027)	2.3	104,266,086
Total	117,011,322	100.0	(6,166,873)	/	110,844,449	111,230,911	100.0	(5,525,084)	/	105,705,827

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Accounts receivable (continued)

(2) Analysis of accounts receivable by categories based on method of provision for credit loss allowance (continued)

- (i) Analysis of accounts receivable for which credit loss allowance is provided on an individual basis:

RMB'000

Item	Closing balance			Reason for provision
	Book value	Credit loss allowance	Proportion (%)	
Account receivable with individual provision for bad debts	4,885,862	(3,288,942)	67.3	Note

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

Note: The Group considered the reasonable and evidenced information (including forward-looking information) available in relation to the counterparty, assessed the expected credit losses and accrued loss allowance.

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

Provision on portfolio basis:

RMB'000

Ageing	Expected credit loss rate (%)	Closing balance		Carrying amount at 31 December 2024
		Book value at 31 December 2024	Credit loss allowance	
Within 1 year	0.1-2.0	94,450,923	(742,941)	93,707,982
1 - 2 years	1.0-10.0	10,608,677	(540,137)	10,068,540
2 - 3 years	5.0-25.0	4,102,161	(487,188)	3,614,973
3 - 4 years	20.0-30.0	1,963,691	(509,947)	1,453,744
4 - 5 years	35.0-50.0	359,165	(158,538)	200,627
Over 5 years	60.0-70.0	640,843	(439,180)	201,663
Total	/	112,125,460	(2,877,931)	109,247,529

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Accounts receivable (continued)

(2) Analysis of accounts receivable by categories based on method of provision for credit loss allowance (continued)

If credit loss allowance is made based on the general model of expected credit loss, please refer to disclosures of other receivables:

RMB'000

Credit loss allowance	Lifetime ECL (Non-credit impaired)	Lifetime ECL (Credit impaired)	Total
At 1 January 2024	2,438,027	3,087,057	5,525,084
Provision	808,586	482,125	1,290,711
Reversal	(196,046)	(194,835)	(390,881)
Write-off	-	(125,863)	(125,863)
Other changes	(172,636)	40,458	(132,178)
At 31 December 2024	2,877,931	3,288,942	6,166,873

(3) Five largest accounts receivable and contract assets by debtor at the end of the period:

RMB'000

Entity name	Account receivable	Contract assets	Closing balance		Credit loss allowance
			Accounts receivable and contract assets	Proportion to total accounts receivable and contract assets(%)	
Entity 1	46,814,933	5,156,370	51,971,303	27.9	119,543
Entity 2	-	6,225,337	6,225,337	3.3	33,230
Entity 3	2,049,494	2,470,693	4,520,187	2.4	272,411
Entity 4	1,829,001	2,573,121	4,402,122	2.4	44,718
Entity 5	1,443,567	1,203,103	2,646,670	1.4	76,323
Total	52,136,995	17,628,624	69,765,619	37.4	546,225

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Accounts receivable (continued)

(3) Five largest accounts receivable and contract assets by debtor at the end of the period: (continued)

Other descriptions:

As at 31 December 2024, the Group had accounts receivable with a carrying value equivalent to RMB45,864,000 (as at December 31, 2023: RMB71,595,000) as a pledge for the Group to obtain bank loans.

As at 31 December 2024, the accounts receivable balance includes amounts due from related parties of the Group, as detailed in note XII. 5.

5 Contract assets

(1) Details of contract assets:

RMB'000

Item	Closing balance			Opening balance		
	Book value	Credit loss allowance	Carrying amount	Book value	Credit loss allowance	Carrying amount
Sale of goods related	52,994,913	(695,423)	52,299,490	50,038,763	(528,640)	49,510,123
Engineering business related	16,044,229	(78,898)	15,965,331	11,861,781	(129,706)	11,732,075
Sub-total	69,039,142	(774,321)	68,264,821	61,900,544	(658,346)	61,242,198
Less: Contract assets presented under other non-current assets	/	/	(30,525,823)	/	/	(27,652,063)
Total	/	/	37,738,998	/	/	33,590,135

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

5 Contract assets *(continued)*

(1) Details of contract assets: *(continued)*

Note 1: For the sales of goods provided by the Group, it is agreed in the contract that the Group shall pay separately at different phases according to the proportion. The Group recognises revenue at the time of acceptance and delivery of goods, and the right to receive consideration that does not meet the unconditional right to receive payment is recognised as contract assets and presented under contract assets/other non-current assets according to the liquidity.

Note 2: Revenue from project engineering services provided by the Group shall be recognised based on the performance progress, and the contract consideration shall be collected after the customer completes the acceptance check and work settlement. The difference between the revenue recognised based on the performance progress and such consideration shall be recognised as contract assets and presented under contract assets/other non-current assets according to the liquidity.

Warranty provisions from project engineering services provided by the Group and customer settlement, the Group has the unconditional right to collect consideration from customers after the expiration of the warranty period without material quality problems. Therefore, the contract assets formed from this part of the warranty provisions should be recognised as receivable after the end of the quality guarantee period without material quality problems.

As at 31 December 2024, the carrying amount of the Group's contract assets used for pledging amounted to RMB537,761,000 (as at December 31, 2023: contract assets with a carrying amount of RMB553,276,000 were used as pledges for the Group's acquisition of bank loans)

As at 31 December 2024, details of current account balances with related parties included in the balance of contract assets are set out in Note XII. 5.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 Contract assets (continued)

(2) Analysis of contract assets by categories based on method of provision for credit loss allowance

RMB'000

Category	Closing balance					Opening balance				
	Book value		Credit loss allowance		Carrying amount	Book value		Credit loss allowance		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision on individual basis	154,372	0.2	(98,687)	63.9	55,685	180,555	0.3	(79,894)	44.2	100,661
Provision on portfolio basis	68,884,770	99.8	(675,634)	1.0	68,209,136	61,719,989	99.7	(578,452)	0.9	61,141,537
Total	69,039,142	100.0	(774,321)	/	68,264,821	61,900,544	100.0	(658,346)	/	61,242,198

- (i) Analysis of accounts receivable for which credit loss allowance is provided on an individual basis:

Item	Closing balance			
	Book value	Credit loss allowance	Proportion (%)	Reason for provision
Contract assets with individual provision for bad debts	154,372	(98,687)	63.9	Note

Description of contract assets for which credit loss allowance is provided on an individual basis:

Note: The Group considered the reasonable and evidenced information (including forward-looking information) available in relation to the counterparty, assessed the expected credit losses and accrued loss allowance.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

5 Contract assets *(continued)*

(2) Analysis of contract assets by categories based on method of provision for credit loss allowance *(continued)*

(ii) Analysis of contract assets for which credit loss allowance is provided on a portfolio basis:

Provision on portfolio basis:

RMB'000

	Closing balance		Proportion (%)
	Contract assets	Credit loss allowance	
Portfolio 1	18,479,831	(36,347)	0.2
Portfolio 2	37,410,612	(457,208)	1.2
Portfolio 3	12,994,327	(182,079)	1.4
Total	68,884,770	(675,634)	/

(3) Provision for credit loss allowance of contract assets

RMB'000

Credit loss allowance	Lifetime ECL (Non-credit impaired)	Lifetime ECL (Credit impaired)	Total
Balance at 1 January 2024	578,452	79,894	658,346
Provision	141,676	20,113	161,789
Reversal	(43,894)	(999)	(44,893)
Write-off	-	-	-
Other changes	(600)	(321)	(921)
Balance at 31 December 2024	675,634	98,687	774,321

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

6 Receivables at FVTOCI

(1) Category of bills receivables at FVTOCI

RMB'000

Item	Closing balance	Opening balance
Bills receivable	5,350,470	8,874,246
Accounts receivable	3,003,368	2,623,853
Total	8,353,838	11,498,099

(2) Bills receivable pledged at the end of the period:

RMB'000

Item	Closing balance
Bank acceptances	-
Total	-

(3) Bills receivable endorsed or discounted but not matured at the balance sheet date:

RMB'000

Item	Closing balance
Bank acceptances	10,590,480
Commercial acceptances	2,488,473
Total	13,078,953

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

6 Receivables at FVTOCI (continued)

(4) Analysis of accounts receivable by categories based on method of provision for credit loss allowance

RMB'000

Category	Closing balance				Carrying amount	Opening balance				
	Book value		Credit loss allowance			Book value		Credit loss allowance		
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision on portfolio basis	8,353,838	100.0	-	0.0	8,353,838	11,498,099	100.0	-	0.0	11,498,099
Total	8,353,838	100.0	-	/	8,353,838	11,498,099	100.0	-	/	11,498,099

(5) Changes in receivables at FVTOCI and fair value movements during the period

RMB'000

Item	Closing balance
Cost	8,497,918
Fair value	8,353,838
Fair value changes accumulated included in other comprehensive income	(144,080)

(6) Other descriptions

As at 31 December 2024, amounts due from related parties of the Group are set out in Note XII. 5.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

7 Prepayments

(1) Prepayments presented by aging

RMB'000

Ageing	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	7,191,915	83.0	6,639,192	82.0
1 - 2 years	678,891	7.8	339,124	4.2
2 - 3 years	113,397	1.3	220,048	2.7
Over 3 years	686,682	7.9	899,119	11.1
Total	8,670,885	100.0	8,097,483	100.0

(2) Details of prepayments with Top five closing balance

RMB'000

Entity name	Relationship with the Group	Closing balance	Proportion to total prepayments (%)
Top 5 prepayments	Third party	1,279,308	14.75

- (3) As at 31 December 2024, prepayments made to related parties of the Group are set out in Note XII. 5.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8 Other receivables

Presentation by categories

RMB'000

Item	Closing balance	Opening balance
Interest receivable	-	-
Dividends receivable	112,244	467,319
Other receivables	2,224,358	1,765,216
Total	2,336,602	2,232,535

Dividends receivable

(1) Dividends receivable

RMB'000

Item (or investee)	Closing balance	Opening balance
Related party	114,873	470,294
Third party	346	-
Sub-total	115,219	470,294
Less: Credit loss allowance	(2,975)	(2,975)
Total	112,244	467,319

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

8 Other receivables (continued)

Other receivables

(1) Analysis by aging

RMB'000

Ageing	Closing book value	Opening book value
Within 1 year	1,746,046	1,306,671
1 – 2 years	276,689	237,146
2 – 3 years	196,721	151,911
3 – 4 years	120,182	323,463
4 – 5 years	275,362	41,277
Over 5 years	814,504	776,372
Sub-total	3,429,504	2,836,840
Less: Credit loss allowance	(1,205,146)	(1,071,624)
Total	2,224,358	1,765,216

(2) Categorised by nature:

RMB'000

Nature	Closing book value	Opening book value
Advances paid for others	1,105,373	709,344
Deposits and securities	739,494	598,078
Others	379,491	457,794
Total	2,224,358	1,765,216

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8 Other receivables *(continued)*

(3) Details of provision for credit loss allowance

RMB'000

Credit loss allowance	Phase 1 12-month ECL (Non-credit impaired)	Phase 2 Lifetime ECL (Non-credit impaired)	Phase 3 Lifetime ECL (Credit impaired)	Total
Balance at 1 January 2024	104,809	-	966,815	1,071,624
Provision	32,652	-	110,221	142,873
Reversal	(5,251)	-	(20,973)	(26,224)
Write-off	-	-	(891)	(891)
Other changes	(720)	-	18,484	17,764
Balance at 31 December 2024	131,490	-	1,073,656	1,205,146

(4) Details of other receivables from debtors with Top 5 closing balance

RMB'000

Company name	Nature	Closing balance	Proportion to total closing balance of other receivables (%)
Top 5 other receivables	Related party/Third party	836,041	24.38

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Inventories

(1) Category of inventories

RMB'000

Item	Closing balance			Opening balance		
	Book value	Provision for impairment of inventories/ provision for impairment of costs to fulfill a contract with a customer	Carrying amount	Book value	Provision for impairment of inventories/ provision for impairment of costs to fulfill a contract with a customer	Carrying amount
Raw materials	20,989,808	(754,230)	20,235,578	19,039,344	(733,385)	18,305,959
Work in progress	39,401,630	(1,089,245)	38,312,385	33,429,955	(1,149,440)	32,280,515
Finished goods	20,641,117	(636,477)	20,004,640	16,495,640	(553,470)	15,942,170
Turnover materials	349,671	(16,897)	332,774	267,680	(15,153)	252,527
Commissioned processing materials	61,525	(17)	61,508	67,586	(17)	67,569
Total	81,443,751	(2,496,866)	78,946,885	69,300,205	(2,451,465)	66,848,740

(2) Provision for impairment of inventories and costs to fulfil a contract with a customer

RMB'000

Item	Opening balance	Increases		Reversal	Decreases		Closing balance
		Provision	Others		Write-off	Others	
Raw materials	733,385	223,968	306	19,613	180,253	3,563	754,230
Work in progress	1,149,440	165,549	-	29,759	169,758	26,227	1,089,245
Finished goods	553,470	232,377	940	22,576	120,229	7,505	636,477
Turnover materials	15,153	1,949	-	175	262	(232)	16,897
Commissioned processing materials	17	-	-	-	-	-	17
Total	2,451,465	623,843	1,246	72,123	470,502	37,063	2,496,866

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10 Non-current assets due within one year

RMB'000

Item	Closing balance	Opening balance
Long-term receivables due within one year (Note VII. 14)	1,959,151	851,994
Loans and advances due within one year (Note VII. 12)	178,809	2,084,925
Debt investments due within one year (Note VII. 13)	-	193,200
Other non-current assets due within one year (Note VII. 26)	2,769,694	1,430,397
Total	4,907,654	4,560,516

11 Other current assets

RMB'000

Item	Closing balance	Opening balance
Withholding VAT	5,080,440	4,084,048
Large deposit certificate	2,154,545	1,143,475
Others	131,121	43,429
Total	7,366,106	5,270,952

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

12 Loans and advances to customers

RMB'000

Item	Closing balance	Opening balance
Loans and advances made by CRRC Finance	193,265	2,095,416
Less: Credit loss allowance	(14,456)	(10,491)
Sub-total	178,809	2,084,925
Including: Loans and advances due within one year (Note VII. 10)	178,809	2,084,925

Credit loss allowance	Phase 1 12-month ECL	Phase 2 Lifetime ECL (Non-credit impaired)	Phase 3 Lifetime ECL (Credit impaired)	Total
Balance at 1 January 2024	4,524	5,967	-	10,491
Provision	3,277	11,179	-	14,456
Reversal	(4,524)	(5,967)	-	(10,491)
Balance at 31 December 2024	3,277	11,179	-	14,456

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13 Debt investments

Details of debt investments

RMB'000

Item	Closing balance			Opening balance		
	Book value	Credit loss allowance	Carrying amount	Book value	Credit loss allowance	Carrying amount
Minsheng Bank Interbank Certificates of Deposit	-	-	-	981,193	-	981,193
Ten-year US dollar bonds of China Life	380,943	-	380,943	375,304	-	375,304
Ten-year US dollar bonds of CITIC Bank	215,145	-	215,145	211,953	-	211,953
Seven-year Medium Term Notes of China Aircraft Leasing Group Holdings Limited	-	-	-	193,200	-	193,200
Others	50,342	(40,273)	10,069	46,799	(32,759)	14,040
Total	646,430	(40,273)	606,157	1,808,449	(32,759)	1,775,690
Less: Debt investments included in non-current assets due within one year (note VII.10)	-	-	-	(193,200)	-	(193,200)
Total	646,430	(40,273)	606,157	1,615,249	(32,759)	1,582,490

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14 Long-term receivables

(1) Details of long-term receivables:

RMB'000

Item	Closing balance			Opening balance			Discount rate interval
	Book value	Credit loss allowance	Carrying amount	Book value	Credit loss allowance	Carrying amount	
Financing lease	1,693,651	(1,139,289)	554,362	2,065,744	(1,498,970)	566,774	4.35%-5.5%
Sales by instalments and others	8,865,375	(334,158)	8,531,217	7,125,496	(250,357)	6,875,139	1.0%-4.9%
Construction payment and Built-transfer receivables	480,000	(384,000)	96,000	470,262	(336,000)	134,262	4.75%
Total	11,039,026	(1,857,447)	9,181,579	9,661,502	(2,085,327)	7,576,175	/
Less: Long-term receivables due within one year (Note VII. 10)	/	/	(1,959,151)	/	/	(851,994)	/
Long-term receivables due after one year	/	/	7,222,428	/	/	6,724,181	/

(2) Analysis of Long-term receivables by categories based on method of provision for credit loss allowance

Category	Closing balance					Opening balance				
	Book value	Credit loss allowance		Carrying amount	Book value	Credit loss allowance		Carrying amount		
	Amount	Percentage (%)	Percentage (%)		Amount	Percentage (%)	Percentage (%)			
Provision on individual basis	11,039,026	100.0	(1,857,447)	16.8	9,181,579	9,661,502	100.0	(2,085,327)	21.6	7,576,175
Total	11,039,026	100.0	(1,857,447)	/	9,181,579	9,661,502	100.0	(2,085,327)	/	7,576,175

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

14 Long-term receivables (continued)

(2) Analysis of Long-term receivables by categories based on method of provision for credit loss allowance (continued)

Analysis of Long-term receivables for which credit loss allowance is provided on an individual basis:

Item	Book value	Closing balance		Reason for provision
		Credit loss allowance	Proportion (%)	
Long-term receivable 1	3,204,605	(45,573)	1.4	Note
Long-term receivable 2	3,537,507	(3,538)	0.1	Note
Long-term receivable 3	1,156,282	(5,305)	0.5	Note
Others	3,140,632	(1,803,031)	57.4	Note
Total	11,039,026	(1,857,447)	16.8	/

Description of contract assets for which credit loss allowance is provided on an individual basis:

Note: The Group considered the reasonable and evidenced information (including forward-looking information) available in relation to the counterparty, assessed the expected credit losses and accrued loss allowance.

(3) Provision for credit loss allowance:

RMB'000

Credit loss allowance	Phase 2 Lifetime ECL (Non-credit impaired)	Stage 3 Lifetime ECL (Credit impaired)	Total
At 1 January 2024	493,848	1,591,479	2,085,327
Provision	13,370	81,119	94,489
Reversal	(3,938)	(123,365)	(127,303)
Write-off	(7,761)	(377,664)	(385,425)
Other changes	110,241	80,118	190,359
At 31 December 2024	605,760	1,251,687	1,857,447

As at 31 December 2024, long-term receivables (inclusive of the portion due within one year) due from related parties of the Group are set out in Note XII. 5.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

15 Long-term equity investments

RMB'000

Investee	Opening balance	Increasing investment	Decreasing investment	Investment gains or losses under equity method	Changes during the period					Closing balance
					Adjustment of other comprehensive income	Other equity movements	Announcement of cash dividends or profits	Provision for impairment loss	Others	
I. Joint ventures										
Wuhu Yunda Rail Transit Construction And Operation Co., Ltd. ("Wuhu Yunda")	1,551,613	-	-	(52,662)	-	-	-	-	-	1,498,951
Others	2,576,133	-	(72,196)	171,294	3	281	(60,393)	-	4,675	2,619,797
Sub-total	4,127,746	-	(72,196)	118,632	3	281	(60,393)	-	4,675	4,118,748
II. Associates										
China United Insurance Holding Company ("China United Insurance")	5,374,042	-	-	53,576	2,311	-	-	-	-	5,429,929
China Foreign Trade Finance Lease	3,301,347	398,592	-	299,685	(141)	-	-	-	-	3,999,483
CRRC Times Electric Vehicle Co., Ltd.	801,611	-	-	(3,581)	-	-	-	-	-	798,030
Jinan-Qingdao High-speed Railway Co., Ltd.	1,134,082	-	-	(8,866)	-	-	-	-	(28,779)	1,096,437
Others	6,639,954	845,052	(314,017)	332,367	(5,780)	36,450	(270,624)	-	(289,223)	6,974,179
Sub-total	17,251,036	1,243,644	(314,017)	673,181	(3,610)	36,450	(270,624)	-	(318,002)	18,298,058
Total	21,378,782	1,243,644	(386,213)	791,813	(3,607)	36,731	(331,017)	-	(313,327)	22,416,806

Note: CRRC (Hong Kong) Co., Ltd. (hereinafter referred to as "Hong Kong Co., Ltd."), a wholly-owned subsidiary of the Company, provides equity pledge guarantee for project financing in proportion to its shareholding in CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V. As of December 31, 2024, the book value of the pledged long-term equity investments is RMB236,137,000 yuan.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

16 Investments in other equity instruments

(1) Details of investments in other equity instruments:

RMB'000

Item	Opening balance	Increasing investment	Decreasing investment	Changes during the period		Others	Closing balance	Dividend income recognized during the year	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reason for derecognition
				Gains included in other comprehensive income during the year	Losses included in other comprehensive income during the year						
Listed equity instrument investments	907,646	-	63,799	137,261	64,900	35,518	951,726	38,348	24,941	860,252	/
Unlisted equity instruments	1,900,544	128,780	102,885	15,660	190,440	-	1,751,659	6,125	106,652	191,940	Note
Total	2,808,190	128,780	166,684	152,921	255,340	35,518	2,703,385	44,473	131,593	1,052,192	/

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

16 Investments in other equity instruments (continued)

(2) Investments derecognised during the year

RMB'000

Item	Accumulated gains transferred to retained earnings due to derecognition	Accumulated losses transferred to retained earnings due to derecognition	Reason for derecognition
Listed equity instrument investments	-	-	/
Unlisted equity instruments	1,306	-	disposal
Total	1,306	-	/

Other descriptions:

Note: The unlisted equity instrument investments of the Group are investments planned to be held for the long term for the strategic purpose of the Group. Therefore, the above investments are designated as financial assets at FVTOCI by the Group.

17 Other non-current financial assets

RMB'000

Item	Closing balance	Opening balance
Financial assets investments: such as perpetual bond	222,840	219,564
Total	222,840	219,564

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18 Investment properties

Measurement models of investment properties

(1) Investment properties measured using a cost model

RMB'000

Item	Buildings	Land use rights	Total
I. COST			
1. Opening balance	1,158,456	122,208	1,280,664
2. Increases	42,769	-	42,769
(1) Transfer from fixed assets (Note VII. 19)	41,514	-	41,514
(2) Transfer from construction in progress (Note VII. 20)	1,085	-	1,085
(3) Other Additions	170	-	170
3. Decreases	85,969	-	85,969
(1) Transfer to fixed assets (Note VII. 19)	84,448	-	84,448
(2) Other Decreases	1,521	-	1,521
4. Closing balance	1,115,256	122,208	1,237,464
II. Accumulated depreciation and amortisation			
1. Opening balance	413,244	33,389	446,633
2. Increases	45,602	2,439	48,041
(1) Provision or amortisation	27,819	2,439	30,258
(2) Transfer from fixed assets (Note VII. 19)	17,783	-	17,783
3. Decreases	34,859	-	34,859
(1) Transfer to fixed assets (Note VII. 19)	33,355	-	33,355
(2) Other Decreases	1,504	-	1,504
4. Closing balance	423,987	35,828	459,815
III. Provision for impairment			
1. Opening balance	11,842	-	11,842
2. Decrease	6,401	-	6,401
(1) Transfer to fixed assets (Note VII. 19)	6,401	-	6,401
3. Closing balance	5,441	-	5,441
IV. Carrying amount			
1. Carrying amount at the end of the period	685,828	86,380	772,208
2. Carrying amount at the beginning of the period	733,370	88,819	822,189

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 Fixed assets

Presentation by item

RMB'000

Item	Closing balance	Opening balance
Fixed assets	64,212,956	60,324,620
Disposal of fixed assets	28,235	35,281
Total	64,241,191	60,359,901

Fixed assets

(1) Details of fixed assets:

RMB'000

Item	Land assets	Buildings	Machinery & equipment	Motor vehicles	Office & other equipment	Total
I. COST						
1. Opening balance	282,453	55,277,379	57,416,544	2,793,373	7,543,200	123,312,949
2. Increases	1,902	4,029,625	5,695,986	122,198	857,784	10,707,495
(1) Additions	-	526,188	1,630,445	50,625	405,105	2,612,363
(2) Transfer from construction in progress (Note VII. 20)	-	2,942,049	3,934,455	70,505	446,457	7,393,466
(3) Increase in mergers of enterprises not under the same control	-	167,332	60,260	801	2,880	231,273
(4) Transfer from investment properties (Note VII. 18)	-	84,448	-	-	-	84,448
(5) Translation differences arising from translation of foreign currency financial statements	1,902	309,608	70,826	267	3,342	385,945
3. Decreases	19,365	354,332	1,220,442	86,280	190,451	1,870,870
(1) Disposal or retirement	12,775	89,446	1,051,194	82,158	169,607	1,405,180
(2) Disposal of subsidiaries	-	-	-	-	1,359	1,359
(3) Transfer to construction in progress (Note VII. 20)	-	199,328	105,845	2,402	52	307,627
(4) Transfer to investment properties (Note VII. 18)	-	41,514	-	-	-	41,514
(5) Translation differences arising from translation of foreign currency financial statements	6,590	24,044	63,403	1,720	19,433	115,190
4. Closing balance	264,990	58,952,672	61,892,088	2,829,291	8,210,533	132,149,574

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19 Fixed assets *(continued)*

Fixed assets *(continued)*

(1) Details of fixed assets: *(continued)*

Item	Land assets	Buildings	Machinery & equipment	Motor vehicles	Office & other equipment	Total
II. Accumulated depreciation						
1. Opening balance	-	18,585,466	36,189,908	2,159,131	5,499,212	62,433,717
2. Increases	-	1,975,734	3,606,205	111,538	585,547	6,279,024
(1) Provision	-	1,872,167	3,558,444	111,403	580,542	6,122,556
(2) Transfer from investment properties (Note VII. 18)	-	33,355	-	-	-	33,355
(3) Translation differences arising from translation of foreign currency financial statements	-	70,212	47,761	135	5,005	123,113
3. Decreases	-	127,681	1,003,307	74,971	168,886	1,374,845
(1) Disposal or retirement	-	46,534	883,061	70,982	153,938	1,154,515
(2) Disposal of subsidiaries	-	-	-	-	1,102	1,102
(3) Transfer to construction in progress (Note VII. 20)	-	52,043	81,312	2,347	11	135,713
(4) Transfer to investment properties (Note VII. 18)	-	17,783	-	-	-	17,783
(5) Translation differences arising from translation of foreign currency financial statements	-	11,321	38,934	1,642	13,835	65,732
4. Closing balance	-	20,433,519	38,792,806	2,195,698	5,915,873	67,337,896
III. Provision for impairment						
1. Opening balance	-	65,520	427,646	44,438	17,008	554,612
2. Increases	-	10,691	60,674	76	916	72,357
(1) Provision	-	4,290	60,672	76	916	65,954
(2) Translation differences arising from translation of foreign currency financial statements	-	-	2	-	-	2
(3) Transfer from investment properties (Note VII. 18)	-	6,401	-	-	-	6,401
3. Decreases	-	13	27,154	76	1,004	28,247
(1) Disposal or retirement	-	13	24,909	76	3	25,001
(2) Transfer to construction in progress (Note VII. 20)	-	-	70	-	-	70
(3) Translation differences arising from translation of foreign currency financial statements	-	-	2,175	-	1,001	3,176
4. Closing balance	-	76,198	461,166	44,438	16,920	598,722
IV. Carrying amount						
1. Carrying amount at the end of the period	264,990	38,442,955	22,638,116	589,155	2,277,740	64,212,956
2. Carrying amount at the beginning of the period	282,453	36,626,393	20,798,990	589,804	2,026,980	60,324,620

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 Fixed assets (continued)

Fixed assets (continued)

(2) Details of rent-out fixed assets under operating leases:

Item	Carrying amount at the end of the period
Machinery and equipment	21,443
Motor vehicles	67,661
Office and other equipment	114
Total	89,218

(3) Details of fixed assets of which property right certificates had not been obtained yet:

Item	Carrying amount	Reasons for having not obtained the property right certificates
Buildings	3,108,553	In progress

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19 Fixed assets *(continued)*

Disposal of fixed assets

	RMB'000	
Item	Closing balance	Opening balance
Buildings	16,619	16,473
Machinery and equipment	5,888	10,895
Motor vehicles	247	7,801
Office and other equipment Motor vehicles	5,481	112
Total	28,235	35,281

Other descriptions:

As at 31 December 2024, the Group has land, buildings and machinery and equipment with carrying amount equivalent to RMB189,185,000 (31 December 2023: RMB222,488,000) as collateral for the Group to obtain bank loans. Except for the fixed assets used as collateral, there was no other restriction on the ownership of fixed assets as at 31 December 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

20 Construction in progress

Presentation by item

RMB'000

Item	Closing balance	Opening balance
Construction in progress	5,419,827	4,518,120
Materials for construction of fixed assets	1	836
Total	5,419,828	4,518,956

Construction in progress

(1) Details of construction in progress

RMB'000

Item	Closing balance			Opening balance		
	Book value	Provision for impairment	Carrying amounts	Book value	Provision for impairment	Carrying amounts
Construction in progress	5,425,560	(5,733)	5,419,827	4,523,553	(5,433)	4,518,120
Total	5,425,560	(5,733)	5,419,827	4,523,553	(5,433)	4,518,120

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

20 Construction in progress (continued)

Construction in progress (continued)

(2) Changes in significant construction in progress for the period

RMB'000

Item	Budget	Opening balance	Increases	Transfers to				Closing balance	Percentage of actual cost to budget (%)	Project progress (%)	Accumulated capitalized interest	Interest capitalised in the current period	Capitalisation rate of interests (%)	Sources of funding	
				fixed assets during the period	Transfer to intangible assets	Transfer to investment properties	Transfer from fixed assets								Others
Medium-and low-voltage power device industrialisation construction project (fixing)	6,771,830	310,592	3,352,131	(2,321,678)	(2,216)	-	-	-	1,338,829	61	61	10,517	16,729	2.85	Borrowings and self-raised
Others	23,692,732	4,212,961	5,158,670	(5,071,788)	(361,249)	(1,085)	171,844	(22,622)	4,086,731	/	/	25,561	5,257	/	Proceeds, borrowings and self-raised
Total	30,464,562	4,523,553	8,510,801	(7,393,466)	(363,465)	(1,085)	171,844	(22,622)	5,425,560	/	/	36,078	21,986	/	Proceeds, borrowings and self-raised

Materials for construction of fixed assets

(3) Details of materials for construction of fixed assets

RMB'000

Item	Closing balance			Opening balance		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Specialised materials	1	-	1	18	-	18
Specialised equipment	-	-	-	818	-	818
Total	1	-	1	836	-	836

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

21 Right-of-use assets

(1) Details of right-of-use assets

RMB'000

Item	Plant & buildings	Machinery & equipment	Motor vehicles	Office & other equipment	Total
I. COST					
1. Opening balance	2,921,970	253,146	88,314	50,864	3,314,294
2. Increases	1,343,566	168,471	9,433	16,236	1,537,706
(1) Newly rented	1,339,936	168,237	9,131	16,236	1,533,540
(2) Translation differences arising from translation of foreign currency financial statements	950	234	302	-	1,486
(3) Increase in mergers of enterprises not under the same control	2,680	-	-	-	2,680
3. Decreases	369,258	21,427	22,466	39,023	452,174
(1) Expiry of lease contract	345,543	17,249	20,636	38,245	421,673
(2) Translation differences arising from translation of foreign currency financial statements	23,715	4,178	1,830	778	30,501
4. Closing balance	3,896,278	400,190	75,281	28,077	4,399,826
II. Accumulated depreciation					
1. Opening balance	1,328,164	15,901	49,781	40,178	1,434,024
2. Increases	600,023	86,042	11,539	7,671	705,275
(1) Provision	599,091	86,042	11,539	7,671	704,343
(2) Translation differences arising from translation of foreign currency financial statements	932	-	-	-	932
3. Decreases	293,234	18,728	9,596	37,301	358,859
(1) Expiry of lease contract	276,104	16,736	7,833	36,789	337,462
(2) Translation differences arising from translation of foreign currency financial statements	17,130	1,992	1,763	512	21,397
4. Closing balance	1,634,953	83,215	51,724	10,548	1,780,440
III. Carrying amount					
1. Carrying amount at the end of the period	2,261,325	316,975	23,557	17,529	2,619,386
2. Carrying amount at the beginning of the period	1,593,806	237,245	38,533	10,686	1,880,270

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22 Intangible assets

(1) Details of intangible assets

RMB'000

Item	Land use rights	Proprietary technology, technical know-how & franchise rights	Software licences	Customer relationship	Backlog orders & technical service preferential contracts	Total
I. COST						
1. Opening balance	17,096,482	5,629,828	4,496,267	376,069	59,170	27,657,816
2. Increases	303,586	622,479	503,215	696	-	1,429,976
(1) Transfer from construction in progress (Note VII. 20)	63,243	5,825	294,397	-	-	363,465
(2) Additions	93,770	154,667	159,725	-	-	408,162
(3) Increase in mergers of enterprises not under the same control	146,012	-	-	-	-	146,012
(4) Transfer from development expenditure (Note VII. 23)	-	460,500	47,423	-	-	507,923
(5) Translation differences arising from translation of foreign currency financial statements	561	1,487	1,670	696	-	4,414
3. Decreases	9,284	96,664	12,767	-	-	118,715
(1) Disposal	9,284	-	7,023	-	-	16,307
(2) Translation differences arising from translation of foreign currency financial statements	-	2,587	5,744	-	-	8,331
(3) Other disposals	-	94,077	-	-	-	94,077
4. Closing balance	17,390,784	6,155,643	4,986,715	376,765	59,170	28,969,077

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

22 Intangible assets (continued)

(1) Details of intangible assets (continued)

Item	Land use rights	Proprietary technology, technical know-how & franchise rights	Software licences	Customer relationship	Backlog orders & technical service preferential contracts	Total
II. Accumulated amortisation						
1. Opening balance	4,208,685	3,221,485	3,065,808	253,692	10,313	10,759,983
2. Increases	385,177	574,885	354,723	2,436	24,429	1,341,650
(1) Provision	385,009	574,885	352,673	2,436	24,429	1,339,432
(2) Translation differences arising from translation of foreign currency financial statements	168	-	2,050	-	-	2,218
3. Decreases	2,612	781	14,631	1,207	-	19,231
(1) Disposal	2,612	-	6,777	-	-	9,389
(2) Translation differences arising from translation of foreign currency financial statements	-	781	7,854	1,207	-	9,842
4. Closing balance	4,591,250	3,795,589	3,405,900	254,921	34,742	12,082,402
III. Provision for impairment						
1. Opening balance	1,120	58,023	770	117,136	-	177,049
2. Increases	-	-	930	1,832	-	2,762
(1) Provision	-	-	930	-	-	930
(2) Translation differences arising from translation of foreign currency financial statements	-	-	-	1,832	-	1,832
3. Closing balance	1,120	58,023	1,700	118,968	-	179,811
IV. Carrying amount						
1. Carrying amount at the end of the period	12,798,414	2,302,031	1,579,115	2,876	24,428	16,706,864
2. Carrying amount at the beginning of the period	12,886,677	2,350,320	1,429,689	5,241	48,857	16,720,784

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22 Intangible assets *(continued)*

(2) Details of land use rights of which property right certificates had not been obtained

RMB'000

Item	Carrying amount	Reasons for having not obtained the property right certificates
Project land	73,981	In progress

Other descriptions:

As at 31 December 2024, the Group has intangible assets with a carrying amount equivalent to RMB694,203,000 (31 December 2023: RMB760,152,000) as collateral.

23 Development expenditure

RMB'000

Item	Balance at the beginning of the period	Increases		Decreases		Closing balance
		Internal development	Others	Recognised as intangible assets	Transfer to profit or loss	
Development expenditures	715,820	16,602,661	82,927	507,923	15,936,698	956,787

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

24 Goodwill

(1) Book value of goodwill

RMB'000

Name of investee	Opening balance	Increases	Decreases	Changes in foreign exchange rates	Closing balance
CRRC Zhuzhou Locomotive and its subsidiaries	56,934	-	-	-	56,934
CRRC Tangshan and its subsidiaries	36,379	-	-	-	36,379
CRRC Zhuzhou Institute and its subsidiaries	1,336,733	-	-	(30,682)	1,306,051
Other	13,849	-	-	-	13,849
Total	1,443,895	-	-	(30,682)	1,413,213

(2) Provision for impairment losses of goodwill

RMB'000

Name of investees	Opening balance	Increases	decreases	Changes in foreign exchange rates	Closing balance
CRRC Zhuzhou Locomotive and its subsidiaries	20,156	-	-	-	20,156
CRRC Zhuzhou Institute and its subsidiaries (note)	1,116,333	-	-	(30,092)	1,086,241
Total	1,136,489	-	-	(30,092)	1,106,397

Note: In 2019, Zhuzhou Times New Materials, a subsidiary of CRRC Zhuzhou Law Firm, made a full provision for the impairment of the goodwill of BOGE in Germany.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

25 Deferred tax assets/Deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB'000

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Expected warranty provisions	8,287,783	1,247,698	8,675,690	1,301,354
Provision for impairment of assets	2,415,298	388,223	2,137,201	406,068
Provision for credit losses	4,991,238	810,440	4,010,569	611,287
Unrealised profit from internal transactions	2,725,258	474,643	2,499,434	455,147
Estimated losses	240,877	40,480	196,984	31,813
Accrued expenses	3,147,386	477,446	1,925,031	308,005
Unpaid employee salaries	257,666	42,429	405,546	62,860
Deductible tax losses	12,564,062	2,758,588	6,073,377	958,846
Changes in fair value of investments in other equity instruments	983,424	147,799	644,024	121,720
Changes in fair value of receivables at FVTOCI	141,072	22,336	187,880	31,940
Lease liabilities	1,869,286	325,702	1,279,506	224,057
Others	3,483,960	532,894	3,863,761	626,469
Total	41,107,310	7,268,678	31,899,003	5,139,566

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

25 Deferred tax assets/Deferred tax liabilities (continued)

(2) Deferred tax liabilities before offsetting

RMB'000

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Adjustment on fair value of acquisition of subsidiaries	262,649	43,581	291,228	55,333
Depreciation difference due to inconsistency of depreciation period between tax law and accounting	3,030,807	462,958	3,740,802	617,232
Changes in fair value of investments in other equity instruments	148,721	22,773	114,721	19,503
Gains on changes in fair value during the holding period of the financial assets at fair value through profit or loss	697,882	173,644	725,092	181,273
Right-of-use assets	1,967,711	335,769	1,244,544	217,935
Others	8,377,469	2,313,923	3,873,372	748,719
Total	14,485,239	3,352,648	9,989,759	1,839,995

(3) Deferred tax assets/liabilities after offsetting

RMB'000

Item	Amount of offsetting of deferred tax assets and liabilities at the end of the period	Balances of deferred tax assets or liabilities after offsetting at the end of the period	Amount of offsetting of deferred tax assets and liabilities at the beginning of the period	Balances of deferred tax assets or liabilities after offsetting at the beginning of the period
	Deferred tax assets	2,830,654	4,438,024	1,268,093
Deferred tax liabilities	2,830,654	521,994	1,268,093	571,902

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

25 Deferred tax assets/Deferred tax liabilities *(continued)*

(4) Details of unrecognised deferred tax assets

RMB'000

Item	Closing balance	Opening balance
Deductible temporary differences	11,767,131	12,236,165
Deductible tax losses	18,421,607	17,517,744
Total	30,188,738	29,753,909

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

RMB'000

Year	Closing balance	Opening balance
2024	–	1,905,020
2025	1,677,994	1,690,112
2026	1,988,208	1,992,606
2027	2,975,193	2,979,753
2028	2,114,280	2,143,594
2029	2,437,339	1,112,957
2030	825,994	841,524
2031	1,020,269	1,026,844
2032	2,588,586	2,597,424
2033	1,224,894	1,227,910
2034	1,568,850	–
Total	18,421,607	17,517,744

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

26 Other non-current assets

RMB'000

Item	Closing balance	Opening balance
Contract assets (Note VII. 5)	30,525,823	27,652,063
Prepayment of intangible assets	619,986	678,544
Prepayment of fixed assets	2,122,565	1,450,788
Large deposit certificate	4,576,436	4,644,969
Others	2,369,477	2,032,161
Sub-total	40,214,287	36,458,525
Less: Other non-current assets due within one year (Note VII.10)	2,769,694	1,430,397
Total	37,444,593	35,028,128

As at 31 December 2024, prepayments made to related parties of the Group in the balance of other non-current assets are set out in Note XII. 5.

27 Assets with restrictive ownership title or right of use

Item	Closing balance				Opening balance			
	Carrying Amount	Carrying Value	Reason of restriction	Notes for restriction	Carrying Amount	Carrying Value	Reason for restriction	Note for restriction
Cash and bank balances	5,255,319	5,255,319	Other	Note VII.1	2,694,609	2,694,609	Other	Note VII.1
Bills receivable	2,421,314	2,419,205	Pledge&Other	Note VII.3	3,088,023	3,079,191	Other	Note VII.3
Accounts receivable	45,906	45,864	Pledge	Note VII.4	71,640	71,595	Pledge	Note VII.4
Receivables at FVTOCI	-	-	Other	Note VII.6	147,068	147,068	Other	Note VII.6
Contract assets (including current and non-current components)	538,299	537,761	Pledge	Note VII.5	553,830	553,276	Pledge	Note VII.5
Fixed assets	265,285	189,185	Collateral	Note VII.19	275,399	222,488	Collateral	Note VII.19
Intangible assets	831,513	694,203	Collateral	Note VII.22	861,544	760,152	Collateral	Note VII.22
Long-term equity investment	236,137	236,137	Pledge	Note VII.15	-	-		Note VII.15
Total	9,593,773	9,377,674	/	/	7,692,113	7,528,379	/	/

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

28 Short-term borrowings

Category of short-term borrowings

RMB'000

Item	Closing balance	Opening balance
Credit loans	6,840,918	7,498,783
Guaranteed loan	17,000	–
Pledged loans	207,730	631,073
Total	7,065,648	8,129,856

Description of short-term borrowings classification:

As at 31 December 2024, the annual interest rate of short-term borrowings ranged from 0.12%-12% (31 December 2023: 0.12%-5.91%).

As at 31 December 2024, short-term borrowings from related parties of the Group are set out in Note XII. 5.

29 Bills payable

(1) Details of bills payable:

RMB'000

Category	Closing balance	Opening balance
Commercial acceptance bills	9,848,708	1,233,025
Bank acceptance bills	37,499,159	25,603,306
Total	47,347,867	26,836,331

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 Account payable

(1) Details of accounts payable:

RMB'000

Item	Closing balance	Opening balance
Related parties	6,463,345	7,738,039
Third party	155,466,646	146,295,689
Total	161,929,991	154,033,728

(2) Ageing analysis of accounts payable:

Item	Closing balance	Opening balance
Within 1 year	150,130,760	145,412,694
1-2 year	7,382,983	4,644,954
2-3 year	1,848,125	1,655,690
over 3 years	2,568,123	2,320,390
Total	161,929,991	154,033,728

Other descriptions:

The ageing of accounts payable of the Group is classified based on the invoicing date.

As at 31 December 2024, details of accounts payable due to related parties are set out in Note XII. 5.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

31 Receipts in advance

(1) Details of receipts in advance:

RMB'000		
Item	Closing balance	Opening balance
Related parties	–	2,167
Third party	9,151	9,528
Total	9,151	11,695

Other descriptions:

As at 31 December 2024, details of receipts payable due to related parties are set out in Note XII. 5.

32 Contract liabilities

Details of contract liabilities

RMB'000		
Item	Closing balance	Opening balance
Sale of goods related (Note 1)	27,739,547	22,211,301
Project contracting services related (Note 2)	445,698	966,859
Sub-total	28,185,245	23,178,160
Less: Contract liabilities presented under other non-current liabilities (Note VII. 46)	(1,559)	(1,315)
Total	28,183,686	23,176,845

Other descriptions:

Note 1: As at 31 December 2024, the acceptance and transfer of certain sales of goods of the Group was later than the customer's payment, generating contract liabilities related to the contract on sales of goods.

Note 2: As at 31 December 2024, the Group's contract liabilities related to the project contracting service contracts represented the excess of the settled amount over revenue recognised based on the progress of construction.

As at 31 December 2024, details of current account balances with related parties included in the balance of contract liabilities are set out in Note XII. 5.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

33 Deposits from banks and other financial institutions

Item	31 December 2024	31 December 2023
customer deposits of CRRC Finance	5,267,593	5,816,950
Total	5,267,593	5,816,950

As at 31 December 2024, details of deposits from banks and other financial institutions with related parties are set out in Note XII. 5.

34 Employee benefits payable

(1) Details of employee benefits payable

Item	RMB'000			Closing balance
	Opening balance	Increases	Decreases	
I. Short-term employee benefits	1,830,675	33,539,140	33,498,352	1,871,463
II. Post-employment benefits-Defined contribution plan	60,077	4,498,207	4,485,583	72,701
III. Labour expenditures	2,406	1,393,500	1,384,283	11,623
IV. Post-employment benefits due within one year-Net liabilities in defined benefit plan (Chinese Mainland)	142,319	117,185	127,434	132,070
V. Post-employment benefits due within one year-Net liabilities in defined benefit plan (other countries and regions)	15,907	17,243	17,088	16,062
Total	2,051,384	39,565,275	39,512,740	2,103,919

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

34 Employee benefits payable *(continued)*

(2) Presentation of short-term benefits

Item				RMB'000
	Opening balance	Increases	Decreases	Closing balance
I. Salaries, bonuses, allowances and subsidies	501,613	25,690,571	25,639,173	553,011
II. Welfare benefits	417,933	1,560,184	1,554,627	423,490
III. Social insurances	106,311	2,314,847	2,322,107	99,051
Including: Medical insurance	102,444	2,091,659	2,098,458	95,645
Work-related injury insurance	4,115	180,218	180,311	4,022
Maternity insurance	(248)	42,970	43,338	(616)
IV. Housing funds	38,686	2,424,875	2,425,718	37,843
V. Employee union funds and staff education funds	481,156	881,804	829,934	533,026
VI. Others	284,976	666,859	726,793	225,042
Total	1,830,675	33,539,140	33,498,352	1,871,463

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

34 Employee benefits payable (continued)

(3) Details of defined contribution plan

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
1. Basic pension insurance	41,836	3,300,121	3,294,704	47,253
2. Unemployment insurance	1,814	130,625	130,845	1,594
3. Enterprise annuity	16,427	1,067,461	1,060,034	23,854
Total	60,077	4,498,207	4,485,583	72,701

Other descriptions:

Employees of the Group are required to participate in defined contribution schemes which are administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentage as agreed by the local municipal government to the scheme. The Group's contributions to the defined contribution plan, including the social pension insurance schemes and the annuity plan, are recognised as expenses when incurred. As at 31 December 2024, there are no forfeited contributions that may be used by the Group to reduce the existing level of contribution (as at 31 December 2023: nil).

35 Tax payable

RMB'000

Item	Closing balance	Opening balance
VAT	2,047,515	1,544,833
Enterprise income tax	765,340	949,824
Individual income tax	384,271	363,481
City maintenance and construction tax	120,667	90,992
Education surcharges	103,080	68,690
Property tax	47,731	47,499
Land use tax	28,041	23,367
Others	131,432	199,415
Total	3,628,077	3,298,101

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

36 Other payables

(1) Presented by item

	RMB'000	
Item	Closing balance	Opening balance
Interests payable	-	-
Dividends payable	446,278	462,255
Other payables	14,984,175	19,780,936
Total	15,430,453	20,243,191

(2) Dividends payable

	RMB'000	
Item	Closing balance	Opening balance
Related parties	23,214	125,171
Third parties	423,064	337,084
Total	446,278	462,255

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

36 Other payables

(3) Other payable

Details of other payables by nature are as follows:

	RMB'000	
Item	Closing balance	Opening balance
Borrowings from CRRC Group	3,626,100	10,050,690
Collections on behalf of other parties	4,040,018	3,351,506
Payments for equipment and projects	1,721,369	1,584,766
Deposits and securities, housing fund, and public facilities maintenance funds	1,447,925	1,165,137
Technology royalties and research expenditures	336,060	487,915
Utilities, repair and transportation expenses	359,160	274,988
Others	3,453,543	2,865,934
Total	14,984,175	19,780,936

Other descriptions:

As at 31 December 2024, details of other payables due to related parties are set out in Note XII. 5.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

37 Non-current liabilities due within one year

RMB'000

Item	Closing balance	Opening balance
Long-term borrowings due within one year (Note VII. 39)	1,157,562	835,822
Long-term payables due within one year (Note VII. 41)	23,613	39,783
Lease liabilities due within one year (Note VII. 40)	598,059	458,358
Provisions due within one year (Note VII. 43)	3,149,294	2,918,572
Other non-current liabilities due within one year (Note VII. 45)	2,228	136
Total	4,930,756	4,252,671

Other descriptions:

As at 31 December 2024, details of current account balances with related parties included in the balance of non-current liabilities due within one year are set out in Note XII. 5.

38 Other current liabilities

Details of other current liabilities:

RMB'000

Item	Closing balance	Opening balance
Output VAT tax to be transferred and received VAT in advance	2,803,320	2,445,225
Total	2,803,320	2,445,225

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

39 Long-term borrowings

Long-term loans by category

RMB'000

Item	Closing balance	Opening balance
Credit loans	1,819,363	2,523,977
Pledged loans	4,869,920	5,144,698
Mortgage loans	116,876	152,007
Total	6,806,159	7,820,682
Less: Long-term loans due within one year	(1,157,562)	(835,822)
Including: Credit loans	(884,550)	(596,166)
Pledged loans	(156,136)	(157,466)
Mortgage loans	(116,876)	(82,190)
Long-term borrowings due after one year	5,648,597	6,984,860
Including: Credit loans	934,813	1,927,811
Pledged loans	4,713,784	4,987,232
Mortgage loans	-	69,817

Other descriptions including range of interest rates:

Analysis of long-term borrowings due after one year is as follows:

RMB'000

Subsequent to the balance sheet date	Closing balance	Opening balance
1 – 2 years	235,399	1,617,289
2 – 5 years	989,501	647,625
Over 5 years	4,423,697	4,719,946
Total	5,648,597	6,984,860

As at 31 December 2024, the annual interest rate of long-term borrowings ranged from 0.12% to 12.53% (31 December 2023: 0.12% to 12.53%).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

40 Lease liabilities

RMB'000

Item	Closing balance	Opening balance
Lease liabilities	2,734,978	2,003,544
Less: Lease liabilities included in non-current liabilities due within one year (Note VII. 37)	(598,059)	(458,358)
Total	2,136,919	1,545,186
Lease liabilities due over one year	2,136,919	1,545,186

Other descriptions:

As at 31 December 2024, the lease liability (including the one-year maturity) due to the related parties are set out in XII. 5.

Analysis of lease liabilities due after one year is as follows:

RMB'000

Subsequent to the balance sheet date:	Closing balance
1 – 2 years	550,178
2 – 5 years	1,001,354
Over 5 years	1,037,028
Total undiscounted payments	2,588,560
Less: Unrecognised finance charges	(451,641)
Lease liabilities due over one year	2,136,919

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

41 Long-term payables

Presented by item

RMB'000

Item	Closing balance	Opening balance
Long-term payables	210,660	249,334
Special payables	1,265	1,265
Total	211,925	250,599
Less: Presented under non-current liabilities due within one year (Note VII. 37)	(23,613)	(39,783)
Long-term payables due over one year	188,312	210,816

Long-term payables

(1) Details of long-term payables by nature are as follows:

RMB'000

Item	Closing balance	Opening balance
Purchase of fixed assets by instalment, etc.	210,660	249,334
Less: Long-term payables due within one year	(22,348)	(38,518)
Long-term payables due over one year	188,312	210,816

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

41 Long-term payables (continued)

Special payables

(2) Details of special payables by nature are as follows:

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
Research & development of the overall solution and prototype system of embedded system of the rail transit equipment	614	-	-	614
Others	651	-	-	651
Total	1,265	-	-	1,265
Less: Special payables due within one year	(1,265)	-	-	(1,265)
Special payables due over one year	/	/	/	/

42 Long-term employee benefits payable

(1) Table of long-term employee benefits payable

RMB'000

Item	Closing balance	Opening balance
I. Post-employment benefits-liabilities in defined benefit plan (Mainland China) (Note 1)	1,207,801	1,220,372
II. Post-employment benefits-liabilities in defined benefit plan (Other countries and regions) (Note 2)	874,969	893,493
III. Other long-term benefits	165,853	221,318
Total	2,248,623	2,335,183

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

42 Long-term employee benefits payable (continued)

(2) Changes in defined benefit plan (Mainland China)

Present value of the defined benefit plan obligation:

RMB'000

Item	Current year	Prior year
I. Opening balance	1,362,691	1,564,016
II. Defined benefit cost recognised in profit or loss	24,127	408
1. Net interests	32,213	40,643
2. Cost of service in the current year	1,880	(407)
3. Cost of service in prior years	(9,300)	(39,838)
4. Settlement (loss)/gains	(666)	10
III. Defined benefit cost recognised in other comprehensive income	80,487	(62,521)
1. Actuarial gains/(losses)	80,487	(62,521)
IV. Other changes	(127,434)	(139,212)
1. Paid benefits	(127,434)	(139,212)
V. Closing balance	1,339,871	1,362,691
Less: Post-employment benefits due within one year-liabilities in defined benefit plan (Note VII. 34)	(132,070)	(142,319)
VI. Post-employment benefits due after one year-liabilities in defined benefit plan	1,207,801	1,220,372

Other descriptions:

Note 1: For the Company and other domestic subsidiaries, in addition to the basic pension insurance provided by the local government departments, the Group also provides supplementary pension insurance plans and other comprehensive retirement benefit plans for employees retired before 1 July 2007. These plans include monthly living subsidies for employees after their retirement. The Group no longer provides (pays) any supplementary retirement benefits (including supplementary benefits such as retirement salaries, subsidies, medical care) for employees retired since 1 July 2007.

The Group engaged an independent actuary, Towers Watson (Shenzhen) Consulting Co., Ltd., to estimate the present value of its above retirement benefit plan obligations using the actuarial method based on the expected cumulative welfare unit method. Towers Watson (Shenzhen) Consulting Co., Ltd. is an actuarial institution with professional certification qualifications and a member of the American Academy of Actuaries. The undersigned actuary, Haichuan Wu, is member of the Society of Actuaries and China Association of Actuaries. The plan estimates future cash outflows based on inflation rate and mortality rate assumptions and determines its present value at a discount rate. The discount rate is determined based on the market yield of the national debt that matches the term and currency of the obligations of defined benefit plan on the balance sheet date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

42 Long-term employee benefits payable *(continued)*

(2) Changes in defined benefit plan (Mainland China) *(continued)*

The defined benefit plan exposes the Group to actuarial risks, including interest rate risk, longevity risk and inflation risk. A decrease in the rate of return of national debt will result in an increase in the present value of the defined benefit plan obligations. The present value of the defined benefit plan obligations is calculated based on the optimal estimate of the mortality rate of the participating employees, and an increase in the life expectancy of the plan members will result in an increase in the liabilities in the plan. In addition, the present value of the defined benefit plan obligation is related to the planned future payment standard, and the payment standard is determined based on the inflation rate. Therefore, the increase in the inflation rate will also result in an increase in the liabilities in the plan.

As at 31 December 2024, significant actuarial assumptions (discount rate and average growth rate of medical cost) used in determining present value of defined benefit plan obligations are as follows:

Item	31 December 2024 (%)	31 December 2023 (%)
Discount rate	1.50	2.50
Average growth rate of medical cost	7.00/12.00/8.00	7.00/12.00/8.00

The sensitivity analysis below is based on reasonably possible changes in the corresponding assumptions at the end of the year (all other assumptions remain unchanged):

Item	(Decrease)/ increase in liability recognized for defined benefit plans	Increase/ (decrease) in liability recognized for defined benefit plans
Discount rate (Increase)/Decrease 0.25%	(24,120)	25,070
Average growth rate of medical cost (Increase)/Decrease 1%	16,470	(14,300)

The above sensitivity analysis is an inference based on the impact of key assumptions on the net defined benefit plan when there is a reasonable change on the balance sheet date. Because some of the assumptions may be relevant and one assumption cannot be changed in isolation, the above sensitivity analysis may not necessarily reflect the actual changes in the present value of the defined benefit plan obligations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

42 Long-term employee benefits payable *(continued)*

(3) Changes in defined benefit plan (Other countries and regions)

Present value of the defined benefit plan obligation:

RMB'000

Item	Current period	Prior period
I. Opening balance	999,487	831,961
II. Defined benefit cost recognised in profit or loss	48,356	44,792
1. Net interests	35,199	34,288
2. Cost of service in the current year	11,346	8,974
3. Cost of service in prior years	1,811	1,530
III. Defined benefit cost recognised in other comprehensive income	(53,464)	141,464
1. Actuarial gains	(2,340)	93,907
2. Translation differences arising from translation of foreign currency financial statements	(51,124)	47,557
IV. Other changes	(17,088)	(18,730)
1. Paid benefits	(17,088)	(18,730)
V. Closing balance	977,291	999,487
Less: Post-employment benefits due within one year-liabilities in defined benefit plan (other countries and regions) (Note VII. 34)	(16,062)	(15,907)
VI. Post-employment benefits due after one year-liabilities in defined benefit plan (other countries and regions)	961,229	983,580

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

42 Long-term employee benefits payable *(continued)*

(3) Changes in defined benefit plan (Other countries and regions) *(continued)*

Plan assets:

RMB'000

Item	Current period	Prior period
I. Opening balance	90,087	84,885
II. Additions during the year	-	209
III. Decreased during the year	-	(3)
IV. Translation differences arising from translation of foreign currency financial statements	(3,827)	4,996
IV. Closing balance	86,260	90,087

Net liabilities of defined benefit plans:

RMB'000

Item (Note 2)	Current period	Prior period
Present value of the defined benefit plan obligation	961,229	983,580
Less: plan assets	(86,260)	(90,087)
Net liabilities in defined benefit plan	874,969	893,493

Note 2: Post-employment benefits-net liabilities in defined benefit plan (other countries or regions) are based on the liabilities recognised in the pension plan provided by the Group's subsidiary, German Rubber and Plastics Business ("Germany BOGE") and Blue Engineering Co., Ltd. and its subsidiaries ("Blue Group"), and Vossloh Locomotives GmbH and its subsidiaries ("Vossloh AG") to their employees.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

42 Long-term employee benefits payable *(continued)*

(3) Changes in defined benefit plan (Other countries and regions) *(continued)*

The principal pension plan of Germany BOGE provides a defined benefit plan for all eligible employees in Germany. For Germany BOGE, the actuarial valuation of the present value of the defined benefit plan obligations for the most recent period (i.e. the period ended 31 December 2024) was estimated and determined by the third-party evaluation agency, Mercer Deutschland GmbH, based on the expected cumulative benefit unit method. Mercer Deutschland GmbH is an actuarial institution with professional certification qualifications in Germany and a member of the German Association of Actuaries. As at 31 December 2024, the defined benefit plan is in the net liability position of RMB0.815 billion (31 December 2023: net liability of RMB0.843 billion). According to the Pension Plan 2005 ("Rentenordnung 2005") and the Pension Plan 2004 ("Versorgungszusage 2004"), Germany BOGE provides a traditional German pension plan group, including normal and early retirement benefits and benefits for long-term disabled people and survivors of deceased employees.

Germany BOGE paid Euros to the third party escrow account, which is a restricted asset and its fair value at period-end is approximate to its book value. As at 31 December 2024, fair value of the plan asset of Germany BOGE was about RMB86,260,000 (31 December 2023: about RMB90,087,000).

As at 31 December 2024, obligations under these defined benefit plans of Germany BOGE are 9.40% (31 December 2023: 9.65%) covered by the plan assets

No material surplus or deficiency was noted for the abovementioned plan assets.

The Blue Group's post-employment benefit plan is a defined benefit plan for all eligible employees in Italy under the Italian Civil Code 2120 (2120 del codice civile italiano). For Blue Group, the actuarial valuation of the present value of the defined benefit plan obligations for the most recent period (i.e. the period ended 31 December 2024) was estimated and determined by the third-party evaluation agency, MANAGERS & PARTNERS-ACTUARIAL SERVICISS. P.A., based on the expected cumulative benefit unit method. MANAGERS & PARTNERS-ACTUARIAL SERVICISS.P.A is an actuarial institution with professional certification qualifications in Italy and a member of the Italian Society of Actuaries.

The principal pension plan of Vossloh Group provides a defined benefit plan for all eligible employees in German, including normal and early retirement benefits and benefits for survivors of deceased employees. For Vossloh Group, the actuarial valuation of the present value of the defined benefit plan obligations for the most recent period (i.e. the period ended 31 December 2024) was estimated and determined by the third-party evaluation agency, Lurse Pension & Benefits Consulting GmbH, based on the expected cumulative benefit unit method. Lurse Pension & Benefits Consulting GmbH is an actuarial institution with professional certification qualifications in Germany and a member of the German Association of Actuaries.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

42 Long-term employee benefits payable (continued)

(3) Changes in defined benefit plan (Other countries and regions) (continued)

As at 31 December 2024, the average period of defined benefit plan obligations is 17-18 years.

The actuarial valuation of the present value of the defined benefit plan obligations is determined using the expected cumulative benefit unit method. In addition to the assumptions for life expectancy, other significant assumptions are as follows:

Item	31 December 2024 (%)	31 December 2023 (%)
Discount rate	3.40-3.75	3.16-3.75
Expected increase in wages and salaries	0.50-3.00	0.50-3.00
Increase in pension	2.20-3.00	2.20-3.00
Volatility	1.00-6.00	1.00-6.00

The expected increase in wages and salaries depends primarily on factors such as inflation, salary standards and the company's operating conditions.

43 Provisions

RMB'000

Item	Closing balance	Opening balance	Reason
Warranties for product quality	9,762,656	9,456,264	Agreement on after-sales service
Others	555,064	441,823	Estimated liquidated damages and onerous contracts to be executed etc.
Total	10,317,720	9,898,087	/
Less: Provisions expected to due within one year (Note VII. 37)	(3,149,294)	(2,918,572)	/
Provisions due after one year	7,168,426	6,979,515	/

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

44 Deferred income

Details of deferred income

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
Government grants related to assets	4,453,999	231,124	327,252	4,357,871
Government grants related to income	1,525,207	548,827	740,679	1,333,355
Total	5,979,206	779,951	1,067,931	5,691,226

45 Other non-current liabilities

RMB'000

Item	Closing balance	Opening balance
Contract liabilities	1,559	1,315
Others	320,560	253,067
Less: Other non-current liabilities due within one year (Note VII. 37)	(2,228)	(136)
Total	319,891	254,246

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

46 Share capital

RMB'000

	Opening balance	Changes during the year (+/-)		Closing balance
		Issuance of new shares	Sub-total	
Total shares	28,698,864	-	-	28,698,864
Shares without restrictions for sales				
1. RMB ordinary shares	24,327,798	-	-	24,327,798
2. Overseas listed ordinary shares	4,371,066	-	-	4,371,066

47 Capital reserve

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
Share premium	40,482,504	-	-	40,482,504
Other capital reserves (Note)	1,085,674	990,264	109,841	1,966,097
Total	41,568,178	990,264	109,841	42,448,601

Note: Changes in other capital reserves were mainly due to increases or decreases in capital by non-controlling shareholders of the Company's subsidiaries and the Group's other equity changes in joint ventures and associates

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

48 Other comprehensive income

RMB'000

	Amount before income tax in current period							
	Before-tax amount	Less: Reclassification adjustments for amounts transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	Less: Previously recognised amount transferred to retained earnings		
I. Other comprehensive income that will not be reclassified to profit or loss	(897,672)	(174,010)	-	53,433	(233,194)	5,751	1,306	(1,132,172)
Including: Remeasurement of defined benefit plan	(129,371)	(78,147)	-	1,484	(79,621)	(10)	-	(208,992)
Changes in fair value of investments in other equity instruments	(768,301)	(102,419)	-	51,949	(160,129)	5,761	1,306	(929,736)
Other comprehensive income that cannot be converted into profit or loss under the equity method	-	6,556	-	-	6,556	-	-	6,556
II. Items that may be reclassified to profit or loss	(2,379)	656,594	-	23,024	523,660	109,910	-	521,281
Including: Other comprehensive income recognised under equity method	(57,756)	(10,163)	-	-	(9,959)	(204)	-	(67,715)
Changes in fair value of other debt investments (Note)	(103,679)	93,264	-	11,148	57,848	24,268	-	(45,831)
Credit losses of other debt investments (Note)	(1)	-	-	-	-	-	-	(1)
Translation differences arising from translation of foreign currency financial statements	254,538	502,006	-	-	398,584	103,422	-	653,122
Cash flow hedge reserve	(95,481)	71,487	-	11,876	77,187	(17,576)	-	(18,294)
Total other comprehensive income	(900,051)	482,584	-	76,457	290,466	115,661	1,306	(610,891)

Note: Changes in fair value of other debt investment and credit losses of other debt investments are derived from receivables at FVTOCI.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

49 Special reserve

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
Safety fund	49,957	541,442	541,442	49,957
Total	49,957	541,442	541,442	49,957

50 Surplus reserve

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
Statutory surplus reserve	6,319,090	532,599	-	6,851,689
Total	6,319,090	532,599	-	6,851,689

51 Retained earnings

RMB'000

Item	Current period	Prior period
Retained earnings at the beginning of the period	84,566,375	79,441,376
Add: Net profits for the period attributable to shareholders of the Company	12,387,514	11,711,576
Less: Appropriation for statutory surplus reserve	(532,599)	(827,178)
Appropriation to general risk reserve	(84,886)	-
Dividends to ordinary shares	(5,739,773)	(5,739,773)
Transfer of other comprehensive income to retained earnings	1,306	(11,458)
Others	(18,229)	(8,168)
Retained earnings at the end of the period	90,579,708	84,566,375

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

51 Retained earnings (continued)

Adjustments on beginning retained earnings are as follows:

Note 1: The Company's 2023 profit distribution plan for 2023 was approved at the 2024 Annual General Meeting of Shareholders held on 18 June, 2024. Based on the total Company's share capital of 28,698,864,000 shares as at 31 December 2023, the annual dividends for 2023 were distributed to all shareholders, and a cash dividend of RMB0.20 (including tax) per share was distributed, totalling approximately RMB5,739,773,000.

Note 2: As at 31 December 2024, the balance of the Group's retained earnings included the surplus reserve already appropriated by the subsidiaries of RMB20,311,757,000 (31 December 2023: RMB19,024,869,000).

52 Revenue and operating costs

(1) Details of revenue and operating costs

RMB'000

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	243,595,064	191,971,808	230,587,450	183,472,711
Other operating activities	2,861,740	1,791,471	3,674,064	2,663,897
Total	246,456,804	193,763,279	234,261,514	186,136,608

(2) Category of revenue and operating costs by business type

RMB'000

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Sale of goods	189,664,348	150,581,526	182,044,180	143,598,428
Rendering of services	55,885,250	42,892,586	51,215,683	42,270,427
Sub-total	245,549,598	193,474,112	233,259,863	185,868,855
Interest income	640,062	130,249	322,156	89,793
Lease income	267,144	158,918	679,495	177,960
Total	246,456,804	193,763,279	234,261,514	186,136,608

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

52 Revenue and operating costs (continued)

(3) Disaggregation of revenue from contracts with customers

RMB'000

Rail transportation products and their extended industries	Current period	Prior period
Categorised by sales region		
Mainland China	217,330,096	205,565,026
Other countries and regions	28,219,502	27,694,837
Total	245,549,598	233,259,863

(4) Description on performance obligations

- (i) Revenue from sales of goods (revenue recognised at a certain time point):

The goods sold by the Group are mainly rail transit equipment and its extension products. The Group recognises revenue when the customer obtains control of the goods, i.e. at the time of acceptance and delivery of the goods.

- (ii) Revenue from rendering of services (revenue recognised within a certain period of time):

The Group's revenue from rendering of services is mainly extended services of railway transportation equipment. The Group recognises the revenue within a certain period of time according to the progress of the performance as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

53 Taxes and surcharges

RMB'000

Item	Current period	Prior period
City maintenance and construction tax	500,905	427,498
Education surcharges	368,131	318,471
Property tax	441,983	418,774
Land use tax	261,886	253,614
Vehicle and vessel use tax	1,618	1,227
Stamp duty	250,905	217,839
Others	57,078	71,081
Total	1,882,506	1,708,504

54 Selling expenses

RMB'000

Item	Current period	Prior period
Employee benefits	3,060,083	2,767,180
Travel expenses	375,002	343,332
Others	2,093,535	2,039,034
Total	5,528,620	5,149,546

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

55 Administrative expenses

RMB'000

Item	Current period	Prior period
Employee benefits	9,585,817	8,891,792
Depreciation of fixed assets	736,723	782,871
Amortisation of intangible assets	701,777	675,533
Others	4,556,640	3,608,342
Total	15,580,957	13,958,538

For the year ended 2024, the audit expense of RMB29,600,000 (2023: RMB29,600,000) is included in aforementioned administrative expenses.

56 Research and development expenses

RMB'000

Item	Current period	Prior period
Employee benefits	7,099,664	6,625,923
Depreciation charge	586,847	635,332
Amortisation of intangible assets	315,306	266,562
Others	7,934,881	6,835,879
Total	15,936,698	14,363,696

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

57 Financial expenses

RMB'000

Item	Current period	Prior period
Interest expense	1,040,478	1,020,997
Less: Capitalisation of interest	(21,986)	(13,339)
Interest expense from lease liabilities	103,994	94,549
Interest income	(1,413,126)	(1,167,824)
Exchange gains or losses	195,297	(244,617)
Handling charge of financial institutions	209,226	233,428
Actuarial interest adjustment	74,507	85,891
Others	(200,155)	(221,383)
Total	(11,765)	(212,298)

58 Other income

RMB'000

Item	Current period	Prior period
VAT Refund	229,888	337,755
Others	3,235,629	2,313,407
Total	3,465,517	2,651,162

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

59 Investment income

RMB'000

Item	Current period	Prior period
Income from long-term equity investment accounted for under equity method (Note VII. 15)	791,813	98,561
Investment income from disposal of subsidiaries	-	594,504
Investment losses from disposal of associates and joint ventures	68,471	347,548
Dividend income from other equity instrument investments during the holding period	44,473	67,061
Investment income from disposal of debt investment	3,542	6,185
Investment income from disposal of held-for-trading financial assets	77,940	144,007
Derecognition loss of financial assets measured at amortized cost	(141,398)	(121,004)
The equity interest held by the subsidiary of the joint venture company is adjusted at fair value	-	35,503
Gains from debt restructuring	23,058	128,490
Others	(1,971)	(14,979)
Total	865,928	1,285,876

60 Gains from changes in fair value

RMB'000

Sources of gains from changes in fair value	Current period	Prior period
Financial assets held for trading	338,664	414,420
Including: Gains on fair value changes of derivative financial instruments	-	(7,586)
Gains from changes in fair value of investments in equity instruments	295,270	346,096
Others	43,394	75,910
Financial liabilities held for trading	28,160	(22,383)
Including: Gains on fair value changes of derivative financial instruments	28,160	(22,383)
Total	366,824	392,037

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

61 Impairment losses under expected credit loss model

RMB'000

Item	Current period	Prior period
Losses of credit impairment on bills receivable	(5,850)	(10,332)
Losses of credit impairment on accounts receivable	899,830	989,683
Losses of credit impairment on other receivables	116,649	122,352
Losses of credit impairment on receivables at FVTOCI	-	(80)
Losses of credit impairment on long-term receivables	(32,814)	131,010
Losses of credit impairment on debt investments	7,514	32,759
Losses of credit impairment on loans and advances	3,965	(3,531)
Losses of credit impairment on part of loan commitments and financial guarantee contracts	977	(236)
Total	990,271	1,261,625

62 Assets impairment losses

RMB'000

Item	Current period	Prior period
Impairment losses of inventories	551,720	384,826
Impairment losses of fixed assets	65,954	23,443
Impairment losses of construction in progress	300	387
Impairment losses of intangible assets	930	-
Impairment losses of contract assets	116,896	161,427
Others	20,119	36,983
Total	755,919	607,066

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

63 Gains on disposal of assets

RMB'000

Item	Current period	Prior period
Gains on disposal of fixed assets	134,779	199,666
Gains from disposal of intangible assets	71,575	208,790
Total	206,354	408,456

64 Non-operating income

Details of non-operating income

RMB'000

Item	Current period	Prior period	Amount recognised in non-recurring profit and loss
Liquidated damages, fines and compensation	106,279	105,370	106,279
Unpayable amount	106,985	37,797	106,985
Gains on retirement of assets	22,730	28,497	22,730
Claim income	83,167	36,972	83,167
Others	375,994	334,035	375,994
Total	695,155	542,671	695,155

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

65 Non-operating expenses

RMB'000

Item	Current period	Prior period	Amount recognised in non-recurring profit and loss
Liquidated damages and penalty expenses	49,790	35,583	49,790
Relocation expenditure	37,051	6,992	37,051
Losses on retirement of assets	42,082	52,186	42,082
Donation expenses	20,132	19,757	20,132
Flood control fund	26,054	25,133	26,054
Others	22,835	55,779	22,835
Total	197,944	195,430	197,944

66 Income tax expenses

(1) Table of income tax expenses

RMB'000

Item	Current period	Prior period
Current income tax expenses	2,197,886	1,754,481
Deferred income tax expenses	(429,626)	48,873
Total	1,768,260	1,803,354

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

66 Income tax expenses *(continued)*

(2) Reconciliation of accounting profits and income tax expenses

RMB'000

Item	Current period	Prior period
Profit before tax	17,432,153	16,373,001
Income tax expenses at statutory tax rate (25%)	4,358,038	4,093,250
Effect of different tax rates applied by subsidiaries	(1,394,924)	(1,114,317)
Adjustments to income tax of previous periods	(33,714)	(10,582)
Effect of income free of tax	(11,118)	(16,765)
Effect of joint ventures and associates	(197,953)	(24,640)
Effect of non-deductible costs, expense and losses	232,620	268,417
Effect of using the deductible losses for which no deferred tax asset was recognised in previous periods	(213,388)	(399,800)
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised this period	575,537	458,786
Other tax incentives (Note)	(1,546,838)	(1,450,995)
Income tax expenses	1,768,260	1,803,354

Other description:

Note: Other tax incentives are mainly weighted deduction performed on technology research and development expenditures

67 Other comprehensive income

Please refer to Note VII.48.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

68 Items in the cash flow statement

(1) Cash related to operating activities

Other cash receipts relating to operating activities

RMB'000

Item	Current year	Prior year
Interest income	937,170	933,516
Others	2,202,618	2,289,501
Total	3,139,788	3,223,017

Other cash payments relating to operating activities

RMB'000

Item	Current year	Prior year
Product development, design fees	7,894,575	6,796,130
Expenses for product transportation, packaging and insurance	1,812,163	1,771,070
Marketing expenses	1,194,174	1,123,100
Product quality assurance expenses	811,227	687,099
Administrative office expenses	766,907	675,347
Expenses for water, electricity and kinetic energy, etc.	139,584	136,236
Others	1,105,480	1,249,860
Total	13,724,110	12,438,842

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

68 Items in the cash flow statement *(continued)*

(2) Cash related to financing activities

Changes in liabilities arising from financing activities

RMB'000

Item	31 Dec 2023	Increase during current year		Decrease during current year		31 Dec 2024
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Short-term loan	8,129,856	11,548,849	661,341	9,157,275	4,117,123	7,065,648
Long-term debt (including due within one year)	7,820,682	1,269,512	-	2,283,978	57	6,806,159
Lease liabilities (including due within one year)	2,003,544	-	1,553,324	821,890	-	2,734,978
Other payables - loan from CRRC Group	10,050,690	7,626,100	-	14,050,690	-	3,626,100
Other accounts payable - dividends payable	462,255	-	6,962,083	6,978,060	-	446,278
Total	28,467,027	20,444,461	9,176,748	33,291,893	4,117,180	20,679,163

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

69 Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

RMB'000

Supplementary information	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	15,663,893	14,569,647
Add: Assets impairment losses	755,919	607,066
Credit losses	990,271	1,261,625
Depreciation of fixed assets and amortisation of investment properties	6,152,814	6,022,659
Depreciation of right-of-use assets	704,343	610,632
Amortisation of intangible assets	1,339,432	1,044,420
Amortisation of long-term deferred expenses	257,914	196,384
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(187,002)	(384,767)
Gains from changes in fair value	(366,824)	(392,037)
Financial expenses	804,586	627,115
Investment losses/(income)	(1,007,326)	(1,406,880)
Changes in deferred tax assets and liabilities	(429,626)	48,873
(Increase)/Decrease in gross inventories	(12,574,154)	(3,876,379)
Increase in operating receivables	(21,780,620)	(38,827,807)
Increase in operating payables	37,974,967	34,774,363
Changes in restricted monetary funds	(1,171,084)	(153,298)
Net cash flows from operating activities	27,127,503	14,721,616
2. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	46,553,111	46,067,025
Less: Opening balance of cash and cash equivalents	46,067,025	47,607,566
Net increase in cash and cash equivalents	486,086	(1,540,541)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

69 Supplementary information to the cash flow statement *(continued)*

(2) Composition of cash and cash equivalents

RMB'000

Item	Closing balance	Opening balance
I. Cash	46,553,111	46,067,025
Including: Cash on hand	2,810	1,015
Bank deposits available on demand	46,550,301	46,066,010
II. Closing balance of cash and cash equivalents	46,553,111	46,067,025

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

70 Foreign-currency monetary items

(1) Foreign-currency monetary items

RMB'000

Item	Foreign currency balance as at the end of the period	Exchange rate	Translated RMB balance as at the end of the period
Cash and bank balances			
Including: USD	427,566	7.1884	3,073,515
EUR	228,217	7.5257	1,717,493
HKD	1,933,978	0.9260	1,790,864
AUD	78,900	4.5070	355,602
MXN	1,045,060	0.3498	365,562
Others	/	/	1,048,451
Held-for-trading financial assets			
Including: USD	765	7.1884	5,499
Accounts receivable			
Including: USD	326,410	7.1884	2,346,366
EUR	136,045	7.5257	1,023,834
HKD	529,608	0.9260	490,417
AUD	40,859	4.5070	184,152
Others	/	/	545,325
Other receivables			
Including: USD	2,924	7.1884	21,019
EUR	8,182	7.5257	61,575
HKD	296,928	0.9260	274,955
AUD	695	4.5070	3,132
MXN	41,910	0.3498	14,660
Others	-	/	93,843
Other non-current asset			
Including: MXN	-	0.3498	-
USD	-	7.1884	-
Debt investments			
Including: USD	-	7.1884	-
Other non-current financial assets			
Including: USD	31,000	7.1884	222,840

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

70 Foreign-currency monetary items *(continued)*

(1) Foreign-currency monetary items *(continued)*

Item	Foreign currency balance as at the end of the period	Exchange rate	Translated RMB balance as at the end of the period
Short-term borrowings			
Including: USD	231,409	7.1884	1,663,460
EUR	185,500	7.5257	1,396,017
HKD	290,000	0.9260	268,540
MXN	50,097	0.3498	17,524
Others	/	/	39,011
Accounts payables			
Including: USD	105,616	7.1884	759,210
EUR	143,159	7.5257	1,077,372
HKD	21,063	0.9260	19,504
AUD	19,781	4.5070	89,153
MXN	4,383,559	0.3498	1,533,369
Others	/	/	434,944
Other payables			
Including: USD	75,104	7.1884	539,878
EUR	18,306	7.5257	137,765
HKD	43,376	0.9260	40,166
AUD	31,234	4.5070	140,772
MXN	12,933	0.3498	4,524
Others	/	/	479,102
Long-term borrowings (including those due within one year)			
Including: USD	689	7.1884	4,953
EUR	15,592	7.5257	117,341
MXN	8,275,106	0.3498	2,894,632
Lease liabilities (including those due within one year)			
Including: USD	8,572	7.1884	61,619
EUR	43,997	7.5257	331,108
HKD	21,515	0.9260	19,923
AUD	7,299	4.5070	32,897
Others	/	/	4,889

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

70 Foreign-currency monetary items (continued)

- (2) Notes to overseas business entity including disclosures of significant principal place of business, functional currency and basis for determining the functional currency as well as reasons for changes in functional currency for those significant overseas business entity

Name of overseas business entity	Principal place of business	Functional currency
CRRC NEW MATERIAL TECHNOLOGIES GMBH	Germany	EUR
Specialist Machine Developments	Britain	GBP

71 Lease

- (1) Lease expenses for short-term leases or low-value assets with simplified treatment

Lease expenses for short-term leases or low-value assets with simplified treatment for the period amounted to RMB203,346,000.

Total cash flow related to leases RMB1,028,922,000.

- (2) Operating leases as leaser

Item	Lease income	Income related to variable lease payments not included in lease receivable
Operating leases	263,286	-
Total	263,286	-

RMB'000

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VII. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

71 Lease *(continued)*

(3) Financing leases as lessor

RMB'000

Item	Gain/loss on sales	Financing gains	Income related to variable lease payments not included in lease receivable
Financing leases	-	3,857	-
Total	-	3,857	-

(4) Financing lease receivable

RMB'000

Item	Closing balance	Opening balance
The minimum amount of the lease receivable:		
1st year after the balance sheet date	1,689,997	1,666,577
2nd year after the balance sheet date	349,539	27,441
3rd year after the balance sheet date	26,401	346,321
4th year after the balance sheet date	25,803	411,358
5th year after the balance sheet date	118	25,543
Years afterwards	-	118
Total of the minimum amount of the lease receivable	2,091,858	2,477,358
Less: Unrealised financing income	(398,207)	(411,614)
Credit loss allowance	(1,139,289)	(1,498,970)
Financing lease receivable	554,362	566,774
Including: Financing lease receivable due within one year	197,177	244,126
Financing lease receivable due after one year	357,185	322,648

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

VIII. R&D EXPENDITURES

1 Presented by the nature

RMB'000

Item	Current period	Prior period
Employee benefits	7,297,138	6,726,898
Depreciation charge	608,347	641,228
Amortisation of intangible assets	333,977	283,344
Others	8,446,126	7,161,922
Total	16,685,588	14,813,392
Including: Expense R&D expenditures	15,936,698	14,363,696
Capitalize R&D expenditures	748,890	449,696

IX. INTERESTS IN OTHER ENTITIES

1 Interests in subsidiaries

(1) Material non-wholly owned subsidiaries

RMB'000

Name of the Subsidiary	Proportion of ownership interest held by non-controlling interests (%)	Profit or loss allocated to non-controlling interests during the period	Dividend declared to noncontrolling shareholders during the period	Balance of noncontrolling interests at 31 December 2024
CRRC Times Electric	51.96	2,168,365	635,334	24,650,204
Zhuzhou Times New Material	61.47	231,702	93,756	4,229,498

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

IX. INTERESTS IN OTHER ENTITIES (continued)

1 Interests in subsidiaries (continued)

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

RMB'000

Name of the Subsidiary	Balance at the end of the period						At the beginning of the period					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CRRC Times Electric	46,433,350	18,368,896	64,802,246	18,729,522	1,310,306	20,039,828	37,514,973	15,889,875	53,404,848	13,432,152	2,256,165	15,688,317
Zhuzhou Times New Material	12,927,087	7,566,028	20,493,115	11,365,278	2,326,490	13,691,768	12,263,535	5,966,473	18,230,008	9,147,760	2,555,317	11,703,077

Name of the Subsidiary	2024				2023			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CRRC Times Electric	24,908,938	3,948,756	3,965,366	3,361,121	21,798,941	3,150,094	3,111,650	2,781,886
Zhuzhou Times New Material	20,055,007	433,949	380,504	1,142,376	17,537,867	326,515	279,272	795,428

2 Equity in associates or joint ventures

(1) Material associates or joint ventures

RMB'000

Name of joint venture or associate	Principal place of business	Registered place	Nature of business	Shareholding percentage (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
China United Insurance	Beijing	Beijing	Financial industry	13.0633	-	Equity method
China Foreign Trade Financial Leasing Co., Ltd	Beijing	Beijing	Financial industry	25.8851	-	Equity method

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence: The Group holds 13.0633% of the voting rights of China United Insurance, and the Group has the right to appoint one director to the board of directors of China United Insurance, and enjoys the corresponding substantive right to participate in decision-making, which has a significant influence on China United Insurance.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

IX. INTERESTS IN OTHER ENTITIES *(continued)*

2 Equity in associates or joint ventures *(continued)*

(2) Key financial information of significant associates

China United Insurance:

RMB'000

China United Insurance	Balance at 31 December 2024/Amount for the current period	Balance at 31 December 2023/Amount for the prior period
Total assets	119,428,316	106,367,017
Total liabilities	98,469,458	85,775,155
Non-controlling interests	2,222,678	2,283,497
Equities attributable to shareholders of parent company	18,736,180	18,308,365
Group's share of net assets	2,447,564	2,391,677
Goodwill	2,982,365	2,982,365
Carrying amount of equity investments in associates	5,429,929	5,374,042
Operating income	68,583,848	65,032,636
Net profit	525,801	168,633
Net profit attributable to shareholders of parent company	410,123	84,781
Other comprehensive income attributable to shareholders of parent company	17,692	106,702
Total comprehensive income attributable to shareholders of parent company	427,815	191,483
Dividends received from associates in the current year	-	10,000

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

IX. INTERESTS IN OTHER ENTITIES *(continued)*

2 Equity in associates or joint ventures *(continued)*

(2) Key financial information of significant associates *(continued)*

China Foreign Trade Financial Leasing Co., Ltd:

	Balance at 31 December 2024/Amount for the current period	Balance at 31 December 2023/Amount for the prior period
China United Insurance		
Total assets	58,920,632	70,164,026
Total liabilities	44,985,338	57,490,236
Non-controlling interests	-	-
Equities attributable to shareholders of parent company	13,935,294	12,673,790
Group's share of net assets	3,607,171	2,952,567
Goodwill	392,312	348,780
Carrying amount of equity investments in associates	3,999,483	3,301,347
Operating income	3,122,319	3,178,494
Net profit	1,262,047	1,172,172
Net profit attributable to shareholders of parent company	1,262,047	1,172,172
Other comprehensive income attributable to shareholders of parent company	(543)	(1,088)
Total comprehensive income attributable to shareholders of parent company	1,261,504	1,171,084
Dividends received from associates in the current year	-	-

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

IX. INTERESTS IN OTHER ENTITIES *(continued)*

2 Equity in associates or joint ventures *(continued)*

(3) Financial information of insignificant joint ventures and associates

RMB'000

	Balance at 31 December 2024/Amount for the current year	Balance at 31 December 2023/Amount for the prior year
Joint ventures:		
Aggregate carrying amount of investments	4,118,748	4,127,746
Total amounts calculated based on shareholding proportions		
- Net profit	118,632	54,346
- Other comprehensive income	3	4
- Total comprehensive income	118,635	54,350
Associates:		
Total carrying amount of investment	8,868,646	8,575,647
Total amounts calculated based on shareholding proportions		
- Net profit	319,920	32,950
- Other comprehensive income	(5,780)	(3,936)
- Total other comprehensive income	314,140	29,014

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

1 Risks of financial instruments

The Group's main financial instruments include cash and bank balances, held-for-trading financial assets, bills receivable, accounts receivable, receivables at FVTOCI, a part of other receivables, a part of non-current assets due within one year, a part of other current assets, loans and advances to customers, debt investments, long-term receivables, investments in other equity instruments, other non-current financial assets, other non-current assets, short-term borrowings, borrowings from central bank, deposits from banks and other financial institutions, bills payable, accounts payable, a part of employee benefits payable, other payables, a part of non-current liabilities due within one year, long-term borrowings, bonds payable, lease liabilities, a part of other long-term payables. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored at a certain level.

The Group adopts sensitivity analysis technique to analyse how the profit and loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

2 Category of financial instruments

(1) Carrying amount of financial assets

RMB'000

Item	31 December 2024				Total
	At FVTPL	At amortised cost	Classified as at FVTOCI	Designed as at FVTOCI	
Cash and bank balances	-	67,512,492	-	-	67,512,492
Held-for-trading financial assets	8,222,272	-	-	-	8,222,272
Bills receivable	-	11,392,953	-	-	11,392,953
Accounts receivable	-	110,844,449	-	-	110,844,449
Receivables at FVTOCI	-	-	8,353,838	-	8,353,838
Other receivables (Except for government grant and advance to staffs)	-	2,139,451	-	-	2,139,451
Other current assets (Large deposit certificate)	-	2,154,545	-	-	2,154,545
Loans and advances to customers (including those due within one year)	-	178,809	-	-	178,809
Debt investments (including those due within one year)	-	606,157	-	-	606,157
Long-term receivables (including those due within one year) (except for finance lease)	-	8,627,217	-	-	8,627,217
Investments in other equity instruments	-	-	-	2,703,385	2,703,385
Other non-current financial assets	222,840	-	-	-	222,840
Other non-current assets	-	4,576,436	-	-	4,576,436
Total	8,445,112	208,032,509	8,353,838	2,703,385	227,534,844

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

2 Category of financial instruments *(continued)*

(2) Carrying amount of financial liabilities

RMB'000

Item	31 December 2024		
	Financial Liabilities at FVTPL	Financial liabilities at carrying amount	Total
Short-term borrowings	-	7,065,648	7,065,648
Deposits from banks and other financial institutions	-	5,267,593	5,267,593
Financial liabilities held for trading	4,587	-	4,587
Bills payable	-	47,347,867	47,347,867
Accounts payable	-	161,929,991	161,929,991
Employee benefits payable (Except for defined benefit plan)	-	1,955,787	1,955,787
Other payables	-	15,430,453	15,430,453
Lease liabilities (including those due within one year)	-	2,734,978	2,734,978
Long-term borrowings (including those due within one year)	-	6,806,159	6,806,159
Long-term payables (including those due within one year) (except for special accounts payable)	-	210,660	210,660
Total	4,587	248,749,136	248,753,723

3 Credit risk

Credit risk represents the risk that the failure to perform obligation by one party of the financial instruments will cause financial loss to the other party.

As at 31 December 2024, the Group's maximum exposure to credit risk which will cause losses of financial assets, contract assets and lease accounts receivables to the Group due to failure to discharge an obligation by the counterparties is arising from:

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

3 Credit risk *(continued)*

- (i) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheet. For financial instruments measured at fair value, the carrying amount reflects the exposure to risks but not the maximum exposure to risks. The maximum exposure to risks would vary according to the future changes in fair value.
- (ii) The amounts of external guarantees disclosed in Note XIII. 2.

The Group only has transactions with recognised and reputable third parties. According to the Group's policies, for all the customers that require to make transactions on credit, the Group needs to review the credit of the customers and determines the manner of sales on the basis of customers' credit grading, credit line and credit period. For sales on credit, the payment period and the amount on credit need to be specified in the sales contract, with the payment period not exceeding credit period, and the accumulated amount of credit sales shall not exceed the credit line. For cash on delivery, the goods are not shipped until all the collection procedures are completed, so as to ensure the Group will not be exposed to significant credit loss.

The specific method used by the Group to assess whether the credit risk of financial instruments has increased significantly since initial recognition and the basis for determining that the financial assets are impaired, as well as the policies of immediate write-off of financial assets etc. are set out in Note V. 11.

The Group's credit risk exposure to any single financial instrument is limited because the bank deposits are deposited with banks with high credit ratings.

China State Railway Group Co., Ltd. is one of the major customers for the Group (including the China State Railway Group Co., Ltd. it belongs to and other subsidiaries, together as "State Railway Group") accounts for a larger proportion of the Group's revenue, accordingly, the accounts receivable from such customer also account for a larger proportion. The Group's management believes that the customer is of reliable and good reputation, therefore the Group has no significant credit risk in respect of the receivables from this customer. Except for this customer, the Group has no other significant concentration of credit risk.

The Group's major operating activities and corresponding concentration of operating risk are located in Mainland China.

As at 31 December 2024, included in the Group's accounts receivable, the accounts receivable from the top one and top five customers respectively account for 40.0% (31 December 2023: 47.5%) and 45.9% (31 December 2023: 53.9%);

As at 31 December 2024, included in the Group's long-term receivables (including those due within one year), the long-term receivables from top one and top five customers account for 29.0% (31 December 2023: 37.3%) and 81.5% (31 December 2023: 78.3%) respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

3 Credit risk *(continued)*

(1) The credit risk exposure of the Group's financial assets and other items

RMB'000

Item	Note VII	Balance at 31 December 2024			Total
		12-month ECL	Lifetime ECL (no credit loss occurred)	Lifetime ECL (Credit loss occurred)	
Financial assets measured at amortised cost					
Cash and bank balances	1	67,512,492	-	-	67,512,492
Bills receivable	3	-	11,406,357	-	11,406,357
Accounts receivable	4	-	112,125,460	4,885,862	117,011,322
Other receivables	8	2,050,384	-	1,379,120	3,429,504
Other current assets	11	2,154,545	-	-	2,154,545
Loans and advances to customers (including those due within one year)	12	95,515	97,750	-	193,265
Debt investments (including due within one year)	13	646,430	-	-	646,430
Long-term receivables (except for finance lease) (including those due within one year)	14	-	4,920,292	4,425,083	9,345,375
Financial assets classified as at FVTOCI					
Receivables at FVTOCI	6	-	8,353,838	-	8,353,838
Other items:					
Contract assets (Include non-current part)	5	-	68,884,770	154,372	69,039,142
Long-term receivables-finance lease (including those due within one year)	14	-	1,328,256	365,395	1,693,651

Note 1: For accounts receivable and contract assets formed under revenue standards as well as finance lease receivables formed under lease standards, the Group adopts simple method to measure the amount of lifetime ECL.

The movements of loss allowance for the Group's bills receivable, accounts receivable, receivables at FVTOCI, other receivables, contract assets, loans and advances to customers, debt investments and long-term receivables are detailed in Note VII3, Note VII4, VII6, VII8, VII5, VII12, VII13, VII14.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

4 Liquidity risk

Liquidity risk represents the risk that the entity encounters shortage of funds when performing the obligation relating to financial liabilities. The Group's objective is to maintain the balance between the continuity and flexibility of financing by comprehensively using multiple financing measures such as settlement with notes, bank borrowing, short-term financing bonds and corporate bonds etc. and adopting proper combination of long-term and short-term financing as well as the method of optimizing financing structure. The Group has obtained bank credit from several commercial banks to meet its need of working capital and capital expenditures. The management has been monitoring the Group's liquidity so as to ensure the Group has sufficient liquidity to repay all the due debts and get maximum benefits from its financial resources.

Maturity analysis of non-derivative financial liabilities and lease liabilities based on undiscounted contract cash flows:

RMB'000

Item	31 December 2024				Total
	Within 1 year (inclusive)	1-2 years (inclusive)	2-5 years (inclusive)	Over 5 years	
Short-term borrowings	7,065,648	-	-	-	7,065,648
Deposits from banks and other financial institutions	5,267,593	-	-	-	5,267,593
Bills payable	47,347,867	-	-	-	47,347,867
Accounts payable	161,929,991	-	-	-	161,929,991
Other payables	15,430,453	-	-	-	15,430,453
Long-term borrowings (including due within one year)	1,224,271	297,333	1,112,653	4,454,245	7,088,502
Long-term payables (including due within one year) (except for special accounts payable)	22,348	10,982	1,095	208,392	242,817
Lease liabilities (Including due within one year)	598,059	550,178	1,001,354	1,037,028	3,186,619
Total	238,886,230	858,493	2,115,102	5,699,665	247,559,490

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

5 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to the changes in market price. The market risk mainly includes interest rate risk, currency risk and price risk.

(1) Interest rate risk

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

The following table sets out the sensitivity analysis of interest rate risk, reflecting the effect of reasonably possible changes in interest rate on net profit (via effect on variable-rate borrowings) (with effect of capitalisation of borrowing costs considered) under the assumption that all the other variables held constant.

Item	January- December 2024		January- December 2023	
	Increase in 25 point	Decrease in 25 point	Increase in 25 point	Decrease in 25 point
Rate of variable-rate borrowings				
(Decrease)/Increase in net profit (RMB'000)	(41,835)	41,835	(38,596)	38,596

(2) Other price risk

The Group's price risk is mainly arising from held-for-trading equity instrument investments and equity instruments at fair value through other comprehensive income. The Group adopts combination of multiple equity securities to mitigate the price risk of investments in equity securities.

(3) Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with its operating activities (settled in foreign currency other than the functional currency).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

5 Market risk *(continued)*

(3) Currency risk *(continued)*

The Group's operating activities are mainly located in China and most of the transactions are denominated in RMB, except for certain sales, purchases and borrowings which are settled in foreign currency. The fluctuation of the exchange rate between such foreign currency and RMB will affect the Group's operating performance.

The Group tries to mitigate the currency risk to the minimum extent mainly by closely monitoring the changes in market exchange rate and actively adopting responsive measures. In the export business, the Group's policy is to provide quotation based on the expected changes of exchange rate in respect of the external contracts under negotiation; during the negotiation, it is required to specify the range of exchange rate and the risks on the buyer and seller respectively. In import business, the enterprises are required to seize the moment of foreign exchange settlement for import so as to control the currency risk.

(i) Foreign currency financial assets and financial liabilities

RMB'000

Item	31 December 2024	31 December 2023
Foreign currency financial assets:		
Cash and bank balances	8,351,487	8,589,326
Held-for-trading financial assets	5,499	1,531
Accounts receivable	4,057,489	4,528,269
Other receivables	426,278	247,068
Other non-current financial assets	222,840	219,564
Total	13,063,593	13,585,758
Foreign currency financial liabilities:		
Short-term borrowings	3,384,552	3,237,753
Accounts payable	3,913,552	4,349,136
Other payables	1,342,207	1,908,031
Long-term borrowings (including due within one year)	3,016,926	3,174,931
Lease liabilities (including due within one year)	450,436	509,983
Total	12,107,673	13,179,834

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

5 Market risk *(continued)*

(3) Currency risk *(continued)*

(i) Foreign currency financial assets and financial liabilities *(continued)*

The following table sets out the sensitivity analysis on currency risk, reflecting the effect of reasonably possible changes in exchange rate of EUR and USD on net profit under the assumption that all the other variables held constant. As the effect changes in exchange rate of other currencies is not significant, related sensitivity analysis is not presented.

EUR	31 December 2024		31 December 2023	
	Increase	Decrease	Increase	Decrease
Against RMB	3.94%	3.94%	8.81%	8.81%
(Decrease)/increase in net profit (RMB'000)	(11,506)	11,506	(37,223)	37,223

USD	31 December 2024		31 December 2023	
	Increase	Decrease	Increase	Decrease
Against RMB	1.55%	1.55%	5.68%	5.68%
(Decrease)/Increase in net profit (RMB'000)	37,722	(37,722)	121,373	(121,373)

6 Capital management

The major objective of the Group's capital management is to ensure the Group's continuing operation, and provide the shareholders with continuous return by establishing a price of products and service that matches the risk level so as to obtain financing at reasonable cost.

The Group reviews and manages its capital structure on a regular basis, aiming to achieve most ideal capital structure and return to shareholders. The factors that the Group takes into consideration include: the Group's future capital demand, capital efficiency, actual and expected profitability, expected cash flows, expected capital expenditures and etc. If the economic conditions change and affect the Group, the Group will adjust the capital structure.

The Group monitors and manages its capital structure using asset-liability proportion. As at 31 December 2024 and 31 December 2023, the asset-liability proportion are as follows:

	31 December 2024	31 December 2023
Asset-liability proportion (%)	59.01	58.35

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

X. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

7 Transfer of financial assets

(i) Classification of transfer methods

RMB'000

Transfer mode	Nature of transferred financial assets	Amount of transferred financial assets	Termination of confirmation	Judgment basis for derecognition
Bill endorsement	Receivables at FVTOCI	5,499,720	Confirmation terminated	The risks and remuneration of ownership have been transferred
Bill discount	Receivables at FVTOCI	7,579,233	Confirmation terminated	The risks and remuneration of ownership have been transferred
Accounts receivable factoring	Accounts receivable	6,395,589	Confirmation terminated	The risks and remuneration of ownership have been transferred
Bill endorsement	Bills receivable	2,188,013	Confirmation not terminated	/
Bill discount	Bills receivable	213,318	Confirmation not terminated	/
Accounts receivable factoring	Accounts receivable	20,950	Confirmation not terminated	/
Total	/	21,896,823	/	/

(ii) Financial assets Recognized due to transfer

RMB'000

Project	The Way the Financial Assets are transferred	Termination of the amount of financial assets recognized	Profits or losses related to termination confirmation
Receivables at FVTOCI	Bill endorsement	5,499,720	-
Receivables at FVTOCI	Bill discount	7,579,233	72,215
Accounts receivable factoring	Accounts receivable factoring	6,395,589	69,183
Total	/	19,474,542	141,398

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XI. DISCLOSURE OF FAIR VALUE

1 Closing fair value of assets and liabilities measured at fair value

RMB'000

Item	Fair value at 31 December 2024				Valuation technique and inputs	Significant unobservable inputs
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	Total		
I. Recurring fair value measurements						
(I) Held-for-trading financial assets	-	3,849,201	4,373,071	8,222,272		
1. Derivative financial assets	-	-	-	-		/
2. Certificate of deposits, etc.	-	3,849,201	-	3,849,201	Note 3	/
3. Unlisted equity instrument investments	-	-	4,373,071	4,373,071	Note 4	Note 4
(II) Receivables at FVTOCI	-	8,353,838	-	8,353,838	Note 3	/
(III) Investments in other equity instruments	951,726	-	1,751,659	2,703,385		
1. Listed equity instrument investments	951,726	-	-	951,726	Note 2	/
2. Unlisted equity instrument investments	-	-	1,751,659	1,751,659	Note 5	Note 5
(IV) Other non-current financial assets	222,840	-	-	222,840		
1. Perpetual bonds etc. investments	222,840	-	-	222,840	Note 1	/
Total assets measured at fair value on recurring basis	1,174,566	12,203,039	6,124,730	19,502,335		
(V) Held-for-trading financial liabilities	-	4,587	-	4,587		
1. Derivative financial liabilities	-	4,587	-	4,587	Note 1	/
Total liabilities measured at fair value on a recurring basis	-	4,587	-	4,587		

Note 1: Discounted cash flow method. Future cash flows are based on forward exchange rate (sourced from the forward exchange rate observed at financial statement date) and estimated contractual forward exchange rate, and discounted using the discounting rate reflecting the credit risk of counterparty.

Note 2: Quoted price (unadjusted) in active market.

Note 3: Discounted cash flow method. Future cash flows are estimated based on expected return and discounted using the discounting rate reflecting the credit risk of counterparty.

Note 4: Discounted cash flow method. Unobservable inputs include revenue growth and system risk factor. The revenue growth is based on the estimate of the management of the investee. The system risk factor is based on the system risk factor of historical stock price of comparative companies.

Note 5: Comparative listed company comparing method and dividends discounting model. The unobservable inputs of the comparative listed company comparing method include liquidity discount. The unobservable inputs of dividends discounting model include expected growth rate and discounting rate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XI. DISCLOSURE OF FAIR VALUE *(continued)*

- 2 Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements.

RMB'000

Item	Held-for-trading financial assets (unlisted equity instrument investments)	Investments in other equity instruments (unlisted equity instruments investment)
1 January 2024	3,834,853	1,900,544
Additions	463,968	128,780
Disposals	(221,020)	(102,885)
Transferred out in this period	-	-
Current gains	295,270	(174,780)
Included in profit or loss	295,270	(174,780)
Included in Other Comprehensive Income	-	-
31 December 2024	4,373,071	1,751,659

For the current year, there is no transfer among level 1, level 2 and level 3 fair value measurement of the Group's financial assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XI. DISCLOSURE OF FAIR VALUE *(continued)*

3 Fair value of financial assets and financial liabilities that are not measured at fair value

The Group's financial assets and financial liabilities measured at amortised cost are detailed in Note X.2. Except for the items listed below, the management of the Group determines that the carrying amount of these financial assets and financial liabilities in the financial statements approximates the fair value of such assets and liabilities.

RMB'000

Item	Carrying amount		Fair value	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Fixed-rate debt investments	606,157	1,582,490	430,381	1,376,729
Fixed-rate long-term receivables	7,222,428	6,724,181	5,859,608	5,632,004
Fixed-rate long-term borrowings	4,168,322	5,089,072	2,416,391	3,091,877

Of the debt investments, those in listed bonds can be publicly traded in an active market and are attributable to level 1 fair value measurement; and debt investments (exclusive of investments in listed bonds), long-term receivables, long-term borrowings and corporate bonds payable are determined based on discounted cash flows and attributable to level 2 fair value measurement, with the discounting rate reflecting the credit risk of the issuer as the key inputs.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1 Parent of the Company

RMB'000

Company name	Registered place	Nature of business	Registered capital	Proportion of ownership interest held by the parent company (%)	Proportion of voting power held by the parent company (%)
CRRC Group	Beijing	Manufacturing	23,000,000	51.45	51.45

The ultimate controlling party of the Company is State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC").

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

2 Subsidiaries of the Company

The Company's subsidiaries are detailed in Note III. 1.

3 Joint ventures and associates of the Company

Please see Note IX.2(1) for information of important joint ventures and associates of the Company.

The joint ventures and associates that have transactions with the Group in the current year are as follows:

Name of joint ventures or associates	Relationship with the Company
Qiqihar EEE Forging Equipment Co., Ltd.	Associates
Changchun Changke Alstom Rolling Stock Co., Ltd	Joint ventures
Dalian Toshiba Locomotive Electrical Equipment Co., Ltd	Joint ventures
Beijing Nankou Sikaifu Railway Bearing Co., Ltd	Associates
Knorr Bremse Nankou Air Supply Equipment (Beijing) Co., Ltd	Associates
Datong Faweilai Rolling Stock Equipment Co., Ltd	Associates
Datong Hitachi Energy Traction Transformer Co., Ltd	Associates
Xinyang Tonghe Wheel Co., Ltd	Associates
Guangzhou Electric Locomotive Co., Ltd	Associates
Xi'an Alstom Yongji Electrical Equipment Co., Ltd	Associates
Qingdao Alstom Railway Equipment Co., Ltd	Associates
Qingdao Sifang Faweilai Rail Brake Co., Ltd	Joint ventures
Changchun Xiangtie Vehicle Equipment Manufacturing Co., Ltd	Associates
Tianjin Electric Locomotive Co., Ltd	Associates
Shenyang Westinghouse Brake Technology Co., Ltd	Joint ventures
China Railway Shenyang Railway Equipment Co., Ltd	Associates
Shanghai Alstom Transportation Electric Co., Ltd	Associates
Chengdu Changke Xinzhu Rail Transit Equipment Co., Ltd	Associates
Shanghai Shentong Changke Rail Transit Vehicle Co., Ltd	Joint ventures
CRRC Shenzhen Railway Vehicles Co., Ltd	Joint ventures
Rolling Stock Equipment (Thailand) Co., Ltd	Associates
Qingdao Sifang Kawasaki Vehicle Technology Co., Ltd	Joint ventures
Zhuzhou Shiling Transportation Equipment Co., Ltd	Joint ventures
Zhuzhou Siemens Traction Equipment Co., Ltd	Associates
Zhuzhou CRRC Times High tech Investment Co., Ltd	Joint ventures
Changzhou Langrui Dongyang Transmission Technology Co., Ltd	Joint ventures
Hunan Shidai Westinghouse Transportation Equipment Co., Ltd	Associates
Huaneng Tieling Wind Power Co., Ltd	Associates
Huaneng Panjin Wind Power Generation Co., Ltd	Associates
Guangzhou Metro Microfinance Co., Ltd	Associates

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

3 Joint ventures and associates of the Company *(continued)*

Name of joint ventures or associates	Relationship with the Company
Hunan Maglev Transportation Development Co., Ltd	Associates
Guangzhou Sifang Rail Transit Equipment Co., Ltd	Joint ventures
Xi'an Sifang Rail Transit Equipment Co., Ltd	Joint ventures
Sino German Rail Transit Technology (Dresden) Joint Research and Development Center Co., Ltd	Associates
Shanghai Shenzhong Rail Transit Operation Safety Engineering Technology Research Co., Ltd	Joint ventures
Changchun Changke Rail Environmental Protection Equipment Co., Ltd	Joint ventures
Beijing Sifang Tongchuang Rail Transit Equipment Co., Ltd	Joint ventures
CRRC Zhaoyin (Tianjin) Equity Investment Fund Management Co., Ltd	Joint ventures
CRRC Capital (Tianjin) Equity Investment Fund Management Co., Ltd	Associates
Vertex Railcar Corporation	Associates
Beijing Beijiufang Rail Transit Technology Co., Ltd	Associates
Australian Innovation Railway Company	Associates
Chongqing Power Investment Rail Transit Equipment Co., Ltd	Associates
Baweitong Technology Co., Ltd	Associates
Wuhu Yunda Rail Transit Construction and Operation Co., Ltd	Joint ventures
Taizhou Taizhong Rail Transit Co., Ltd	Associates
Datong CRRC Macon Rail Transportation Equipment Co., Ltd	Associates
Beijing Tianlu Longxiang Transportation Equipment Co., Ltd	Joint ventures
Zhejiang Times Lanpu New Energy Co., Ltd	Joint ventures
CRRC Shenyang Rail Transit Equipment Co., Ltd	Joint ventures
Tianjin Rolling Stock Steel Co., Ltd	Associates
CRRC Guochuang (Beijing) Fund Management Co., Ltd	Associates
Ziyang Zhonggong Locomotive Transmission Co., Ltd	Associates
Sichuan CRRC Railway Investment Rail Transit Co., Ltd	Associates
Shanghai Marine Engineering Equipment Manufacturing Innovation Center Co., Ltd	Associates
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd	Associates
Inner Mongolia Yiji Group Like Rubber and Plastic Products Co., Ltd	Associates
Zhuzhou Shidai Engineering Plastic Technology Co., Ltd	Associates
Hunan Honghui Technology Co., Ltd	Associates
Hunan Guoxin Semiconductor Technology Co., Ltd	Associates
Shangcai Shenhua CRRC New Energy Co., Ltd	Associates
Jiangsu Langrui Maoda Casting Co., Ltd	Joint ventures
Zhuzhou Shidai Electrical Insulation Co., Ltd	Associates
Sichuan Zhongxin Composite Materials Co., Ltd	Associates
Qingdao Sifang Sirui Intelligent Technology Co., Ltd	Joint ventures
CRRC Voith Transmission Technology Co., Ltd	Associates

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

3 Joint ventures and associates of the Company *(continued)*

Name of joint ventures or associates	Relationship with the Company
Zhuzhou Guochuang Rail Technology Co., Ltd	Associates
Tongche Zhongdian Railway Equipment Co., Ltd	Associates
Qingdao Metro Rail Transit Intelligent Maintenance Co., Ltd	Associates
Jiangxi Shanghuasheng Yilun Motor Co., Ltd	Associates
Zhuzhou Shidai Huaxin New Material Technology Co., Ltd	Associates
Zhixin Semiconductor Co., Ltd	Associates
Dalian Kaifeng Heavy Industry Co., Ltd	Associates
Nanjing Tengsheng Energy Internet Technology Co., Ltd	Associates
Zhejiang Rail Transit Operation Management Group Co., Ltd	Associates
Jiangsu CRRC Digital Technology Co., Ltd	Associates
China United Insurance Holding Co., Ltd	Associates
Urban Rail Innovation Network Center Co., Ltd	Associates
Boten Vanguard Railway Co., Ltd	Associates
Jiqing High Speed Railway Co., Ltd	Associates
Foshan Gaoming Modern Rail Transit Construction Investment Co., Ltd	Associates
CCCC Foshan Investment Development Co., Ltd	Associates
Hunan Motor Vehicle Testing Technology Co., Ltd	Associates
China Power Construction (Yantai) Wind Power Generation Co., Ltd	Joint ventures
Jinan Sirui Rail Transit Equipment Technology Co., Ltd	Associates
IMATEQ SAS	Joint ventures
Zhuzhou Luyuan Technology Co., Ltd	Associates
Zhuzhou CRRC Rail Transit Journal Co., Ltd	Associates
CRRC (Beijing) Transformation and Upgrading Fund Management Co., Ltd	Associates
Zhejiang CRRC Shangchi Electric Co., Ltd	Associates
Aviation Materials Guochuang (Qingdao) High speed Railway Materials Research Institute Co., Ltd	Associates
Harbin Welding Guochuang (Qingdao) Welding Engineering Innovation Center Co., Ltd	Associates
Tianjin Line 1 Rail Transit Operation Co., Ltd	Associates
CSCEC (Shandong) Industrial Development Co., Ltd	Associates
Wuxi Times Intelligent Transportation Research Institute Co., Ltd	Associates
Zhengzhou Shidai Traffic Electrical Equipment Co., Ltd	Joint ventures
Jiangsu Zhongcheng Transportation Equipment Co., Ltd	Associates
Guangzhou Junfa Electrical Equipment Co., Ltd	Associates
Huaneng Tieling Daxing Wind Power Generation Co., Ltd	Associates
Changshu Zhishui Environmental Protection Water Co., Ltd	Joint ventures
Hebei CRRC Luxing Anti loose Technology Co., Ltd	Associates
Foshan Zhongshi Zhihui Transportation Technology Co., Ltd	Associates
Guangzhou Qinglan Semiconductor Co., Ltd	Joint ventures

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

3 Joint ventures and associates of the Company *(continued)*

Name of joint ventures or associates	Relationship with the Company
Tieke (Beijing) Rail Equipment Technology Co., Ltd	Associates
Huaneng Zhongji Environmental Protection Technology Co., Ltd	Joint ventures
Nanjing Metro Air Conditioning Technology Co., Ltd	Associates
China Resources New Energy (Alxa) Co., Ltd	Associates
China Resources New Energy (Ordos) Co., Ltd	Associates
Pioneer Electric (India) Co., Ltd	Associates
Chengdu Ruiyang Rail Transmission Technology Co., Ltd	Joint ventures
Nanjing Rail Transit Industry Development Co., Ltd	Associates
Hunan Guoci Power Technology Co., Ltd	Associates
Guangzhou High Speed Rail Technology Co., Ltd	Associates
Qingdao Green Development Research Institute Co., Ltd	Associates
PriceSmart (Shanghai) Industrial Design Co., Ltd	Associates
Taizhou Changxing Rail Transit Operation Management Co., Ltd	Associates
Jiangsu China Railway Transportation Technology Co., Ltd	Associates
Guangxi Zhonggui Digital Technology Co., Ltd	Associates
Digital Rail (Shanghai) Transportation Technology Co., Ltd	Associates
Chengdu Digital China Railway Technology Co., Ltd	Associates
Anhui Zhiyun Digital Technology Co., Ltd	Associates
China Foreign Trade Finance Leasing Co., Ltd	Associates
Tiemei (Dalian) New Material Technology Co., Ltd	Joint ventures
Shenzhen Zhongshuputai Technology Co., Ltd	Associates
Shandong Zhongji New Energy Development Co., Ltd	Joint ventures
Hebei Yiyuan Guanghe New Energy Development Co., Ltd	Joint ventures
China Resources Wind Power (Caoxian) Co., Ltd	Associates
Guyang Changhui Energy Development Co., Ltd	Associates
Qinghai Zhongzhou New Energy Co., Ltd	Associates
China Ocean Engineering Equipment Technology Development Co., Ltd	Associates
Hunan Maglev Group Co., Ltd	Associates
Hebei Hongrui Environmental Protection Technology Co., Ltd	Associates
Zhongjuxin (Suzhou) Intelligent Technology Co., Ltd	Associates
Chongqing Ruiyang Rail Transit Equipment Co., Ltd	Joint ventures
Xi'an Ruiyang Rail Transmission Technology Co., Ltd	Joint ventures
Shanghai Rail Transit Testing and Certification (Group) Co., Ltd	Associates
CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V	Associates
TIC TRENS S.A.	Associates

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions

(1) Purchases and sales of goods, rendering and receipt of services

Purchase of goods/receipt of service

RMB'000

Related party	Content of related party transaction	January – December 2024	January – December 2023
Joint ventures of the Group	Purchase of goods	343,939	350,804
Associates of the Group	Purchase of goods	1,030,416	1,517,454
CRRC Group and subsidiaries (Note 1)	Purchase of goods	706,087	971,086
Joint ventures and associates of CRRC Group and subsidiaries (Note 2)	Purchase of goods	9,517	14,632
Joint ventures of the Group	Receipt of service	57,883	73,068
Associates of the Group	Receipt of service	151,490	121,031
CRRC Group and subsidiaries (Note 1)	Receipt of service	144,816	131,080
Joint ventures and associates of CRRC Group and subsidiaries (Note 2)	Receipt of service	3,736	3,774
Total	/	2,447,884	3,182,929

Note 1: These connected transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange.

Note 2: The amount of which constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange was RMB8,432,000.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(1) Purchases and sales of goods, rendering and receipt of services *(continued)*

Sale of goods/rendering of service

RMB'000

Related party	Content of related party transaction	January - December 2024	January - December 2023
Joint ventures of the Group	Sale of goods	1,272,149	1,251,843
Associates of the Group	Sale of goods	2,978,787	5,897,106
CRRC Group and its subsidiaries (Note 1)	Sale of goods	435,978	1,092,847
Joint ventures and associates of CRRC Group and subsidiaries (Note 2)	Sale of goods	731,232	983,603
Joint ventures of the Group	Rendering of services	32,962	57,189
Associates of the Group	Rendering of services	38,048	47,377
CRRC Group and its subsidiaries (Note 1)	Rendering of services	40,186	47,428
Joint ventures and associates of CRRC Group and subsidiaries (Note 2)	Rendering of services	629,891	4,665,308
Total	/	6,159,233	14,042,701

Note 1: These connected transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange.

Note 2: The amount of which constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange was RMB1,361,123,000.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(2) Leases with related parties

The Company as the lessor:

RMB'000

Name of lessee	Type of leased assets	Lease income recognised in current period	Lease income recognised in prior period
Joint ventures of the Group	Fixed assets	4,978	574
Associates of the Group	Fixed assets	5,673	3,569
CRRC Group and its subsidiaries (Note 1)	Fixed assets	692	4,245
Joint ventures and associates of CRRC Group and subsidiaries (Note 2)	Fixed assets	2,149	2,866
Total	/	13,492	11,254

Note 1: These related party transactions are continuing connected transactions in accordance with Chapter 14A of the Listing Rules by HKEx.

Note 2: Transaction amounts of RMB1,525,000 constituted the continuing connected transactions in accordance with Chapter 14A of the Listing Rules by HKEx.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(2) Leases with related parties *(continued)*

The Company as the lessee:

RMB'000

Name of lessee	Type of assets leased	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased right-to-use assets	
		January - December 2024	January - December 2023	January - December 2024	January - December 2023	January - December 2024	January - December 2023	January - December 2024	January - December 2023	January - December 2024	January - December 2023
Joint ventures of the Group	Fixed assets	-	-	-	-	-	-	-	-	-	-
Associates of the Group	Fixed assets	293	-	-	-	1,205	891	193	224	-	-
CRRC Group and its subsidiaries (Note 1)	Fixed assets	83,793	83,825	8,679	-	81,100	107,225	3,832	2,344	81,108	35,294
Joint ventures and associates of CRRC Group and its subsidiaries	Fixed assets	-	190	-	-	-	190	-	-	-	-

Note 1: These related party transactions are continuing connected transactions in accordance with Chapter 14A of the Listing Rules by HKEx, the amount is RMB164,901,000.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(3) Guarantees with related parties

The Company as the guarantor

RMB'000

The guaranteed company	Guarantee amount	Guarantee Start Date	Guarantee expiration date	Whether the guarantee has been fulfilled
Wuhu Yunda	1,192,980	20/06/2017	20/06/2047	No
CRRCE-LOCOSUPPLY(PTY) LTD	1,109,274	17/03/2014	Date of completion of project implementation	No
CONSORCIOTRENIGEROLINEA4 GUADALAJARA, S.A.P.I.deC.V	193,359	27/10/2023	25/10/2059	No
CONSORCIOTRENIGEROLINEA4 GUADALAJARA, S.A.P.I.deC.V	350,294	05/06/2024	30/04/2039	No
TIC TRENS S.A.	328,774	02/06/2024	02/06/2031	No

The Company as the guarantee holder

RMB'000

Name of guarantor	Guarantee amount	Guarantee Start Date	Guarantee expiration date	Whether the guarantee has been fulfilled
CRRC Group	1,109,274	17/03/2014	Date of completion of project implementation	No

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(4) Funding from related party

RMB'000

Related party	Amount of borrowing/ loan	Inception date	Maturity date	Note
Funds received				
CRRC Group and its subsidiaries	1,100,000	20/11/2024	20/11/2025	/
CRRC Group and its subsidiaries	709,000	21/10/2024	20/10/2025	/
CRRC Group and its subsidiaries	385,000	10/12/2024	09/12/2025	/
CRRC Group and its subsidiaries	312,960	21/11/2024	20/11/2025	/
CRRC Group and its subsidiaries	300,000	14/11/2024	13/11/2025	/
CRRC Group and its subsidiaries	249,770	21/11/2024	20/11/2025	/
CRRC Group and its subsidiaries	216,810	13/12/2024	12/12/2025	/
CRRC Group and its subsidiaries	148,590	14/11/2024	13/11/2025	/
CRRC Group and its subsidiaries	136,560	04/12/2024	03/12/2025	/
CRRC Group and its subsidiaries	44,850	30/12/2024	29/12/2025	/
CRRC Group and its subsidiaries	22,560	14/11/2024	13/11/2025	/

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(5) Assets transfer/debt restructuring with related parties

RMB'000

Related party	Nature of transaction	January - December 2024	January - December 2023
Joint ventures of the Group	Purchase of fixed assets from related parties	148	290
Associates of the Group	Purchase of fixed assets from related parties	5,270	4,220
Associates of the CRRC Group (Note 2)	Purchase of fixed assets from related parties	461	1,336
CRRC Group and its subsidiaries (Note 1)	Purchase of fixed assets from related parties	1,611	4,668
Total		7,490	10,514

Note 1: These related party transactions are continuing connected transactions in accordance with Chapter 14A of the Listing Rules by HKEx.

Note 2: Transaction amounts of RMB461,000 constituted the continuing connected transactions in accordance with Chapter 14A of the Listing Rules by HKEx.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(6) Remuneration of key management personnel

RMB'000

Item	January – December 2024	January – December 2023
Remuneration of key management personnel	11,042	11,879

(i) Directors', supervisors' and chief executive's emoluments

RMB'000

	January – December 2024	January – December 2023
Fees	315	304
Other emoluments:		
Salaries	1,825	1,882
Performance-related bonuses (Note 1)	3,147	3,582
Social security contributions (other than pension scheme contributions) (Note 2)	762	785
Pension scheme contributions (Note 3)	198	201
Total	6,247	6,754

Note 1: The performance-related bonuses are determined by the remuneration committee in accordance with the relevant remuneration policies of the Company.

Note 2: The social security contribution (other than pension scheme contributions) represent the Company statutory contributions directly to the PRC government, and are determined based on a certain percentage of the salaries of the directors supervisors and the chief executive.

Note 3: The pension scheme contributions represent the Company's statutory contributions to a defined contribution pension scheme organised by the PRC government, and are determined based on a certain percentage of the salaries of the director, supervisors and the chief executive.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(6) Remuneration of key management personnel *(continued)*

(i) Directors', supervisors' and chief executive's emoluments *(continued)*

As of December 31, 2024, the remuneration and welfare contributions of individual directors, supervisors and president are as follows:

RMB'000

	Fees	Salaries	Performance related bonuses	Social security contribution (other than pension scheme contributions)	Pension scheme contributions	Total
Executive director:						
Sun Yongcai	-	245	652	127	33	1,057
Ma Yunshuang (Departure)	-	243	564	127	33	967
Wang An	-	221	586	127	33	967
Sub-total	-	709	1,802	381	99	2,991
Non-executive directors:						
Jiang Renfeng (Departure)	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
Independent non-executive directors:						
Shi Jianzhong	80	-	-	-	-	80
Weng Yiran	80	-	-	-	-	80
Wei Mingde	155	-	-	-	-	155
Sub-total	315	-	-	-	-	315
Supervisors:						
Zhao Hu	-	422	493	127	33	1,075
Chen Zhenhan	-	361	431	127	33	952
Zhang Shidong	-	333	421	127	33	914
Sub-total	-	1,116	1,345	381	99	2,941
Total	315	1,825	3,147	762	198	6,247

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(6) Remuneration of key management personnel *(continued)*

(i) Directors', supervisors' and chief executive's emoluments *(continued)*

Contributions to the remuneration and benefits of individual directors, supervisors and the President for the year ended December 31, 2023, are as follows:

RMB'000

	Fees	Salaries	Performance related bonuses	Social security contribution (other than pension scheme contributions)	Pension scheme contributions	Total
Executive director:						
Sun Yongcai	-	240	653	121	31	1,045
Ma Yunshuang	-	214	581	121	31	947
Wang An (Note 1)	-	-	-	-	-	-
Lou Qiliang (Departure)	-	180	575	90	23	868
Sub-total	-	634	1,809	332	85	2,860
Non-executive directors:						
Jiang Renfeng	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
Independent non-executive directors:						
Shi Jianzhong	80	-	-	-	-	80
Weng Yiran	80	-	-	-	-	80
Wei Mingde	144	-	-	-	-	144
Sub-total	304	-	-	-	-	304
Supervisors:						
Zhao Hu	-	389	513	121	31	1,054
Chen Zhenhan	-	302	435	121	31	889
Zhang Shidong	-	303	434	121	31	889
Chen Xiaoyi (Departure)	-	254	391	90	23	758
Sub-total	-	1,248	1,773	453	116	3,590
Total	304	1,882	3,582	785	201	6,754

Note 1: Executive Director Mr. Wang An's remuneration is charged to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(6) Remuneration of key management personnel *(continued)*

(ii) Five highest paid employees

The five highest paid employees of the Group during the year are neither directors, supervisors nor chief executive.

Details of the remuneration of the five highest paid employees during the year are as follows:

	RMB'000	
	Accrued during the period	Accrued during the prior period
Salaries	1,840	1,787
Performance-related bonuses	9,186	8,146
Social security contributions (other than pension scheme contributions)	571	531
Pension scheme contributions	179	197
Total	11,776	10,661

The number of five highest paid employees whose remuneration fell within the following band is as follows:

	2024	2023
HKD2,000,001 to HKD2,500,000	-	-
HKD2,500,001 to HKD3,000,000	5	5

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(7) Other related party transactions

RMB'000

Related party	Nature of related party transaction	Accrued during the period	Accrued during the prior period
Joint ventures of the Group	Financial service and interest income	4,719	5,457
Associates of the Group	Financial service and interest income	953	5,161
CRRC Group and its subsidiaries (Note 1)	Financial service and interest income	4,294	39,780
Joint ventures of the Group	Interest expenses	328	329
Associates of the Group	Interest expenses	116	97
CRRC Group and its subsidiaries	Interest expenses	274,414	169,948
Joint ventures and associates of CRRC Group and its subsidiaries	Interest expenses	-	14
Total	/	284,824	220,786

Note 1: Transaction amounts of RMBO constituted the continuing connected transaction in accordance with Chapter 14A of the Listing Rules by HKEx.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5 Unsettled items such as receivables and payables to related parties

(1) Receivables

RMB'000

Item	Related party	Closing balance		Opening balance	
		Carrying amount	Provision for bad and doubtful debts	Carrying amount	Provision for bad and doubtful debts
Bills receivable	Joint ventures of the Group	39,472	39	1,160	-
Bills receivable	Associates of the Group	114,501	191	80,483	35
Bills receivable	CRRC Group and its subsidiaries	3,755	9	-	-
Accounts receivable	Joint ventures of the Group	972,247	19,482	867,399	15,824
Accounts receivable	Associates of the Group	1,286,356	79,061	1,170,943	18,465
Accounts receivable	CRRC Group and its subsidiaries	707,225	45,956	871,299	38,997
Accounts receivable	Joint ventures and associates of CRRC Group and its subsidiaries	130,172	5,403	200,969	5,911
Receivables at FVTOCI	Joint ventures of the Group	134,481	-	22,904	-
Receivables at FVTOCI	Associates of the Group	891,885	2	1,033,636	-
Receivables at FVTOCI	CRRC Group and its subsidiaries	31,932	-	41,066	-
Prepayments	Joint ventures of the Group	215,953	-	65,535	-
Prepayments	Associates of the Group	98,517	-	61,976	167
Prepayments	CRRC Group and its subsidiaries	19,591	-	197,232	-
Other receivables	Joint ventures of the Group	27,965	6	2,319	18
Other receivables	Associates of the Group	19,830	2,930	20,503	1,168
Other receivables	CRRC Group and its subsidiaries	58,816	8,117	65,580	6,360
Other receivables	Joint ventures and associates of CRRC Group and its subsidiaries	496	2	956	5
Contract assets	Joint ventures of the Group	20,974	121	21,759	165
Contract assets	Associates of the Group	212,272	2,890	231,137	2,942
Contract assets	CRRC Group and its subsidiaries	287,633	10,227	252,749	4,438
Contract assets	Joint ventures and associates of CRRC Group and its subsidiaries	12,256	77	133,359	133
Non-current assets due within one year	Joint ventures of the Group	-	-	77,961	6,131
Non-current assets due within one year	Associates of the Group	153,245	13,187	1,297	3
Non-current assets due within one year	CRRC Group and its subsidiaries	40,022	1,270	2,016,161	4,357
Long-term receivables	Associates of the Group	-	-	374,517	374,517

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

5 Unsettled items such as receivables and payables to related parties *(continued)*

(1) Receivables *(continued)*

Item	Related party	Closing balance		Opening balance	
		Carrying amount	Provision for bad and doubtful debts	Carrying amount	Provision for bad and doubtful debts
Other non-current assets	Joint ventures of the Group	116,119	1,381	96,094	1,169
Other non-current assets	Associates of the Group	321,250	5,175	602,465	6,636
Other non-current assets	CRRC Group and its subsidiaries	1,114,781	1,103	306,174	658
Other non-current assets	Joint ventures and associates of CRRC Group and its subsidiaries	1,881,334	9,177	2,028,994	10,664
Total	/	8,913,080	205,806	10,846,627	498,763

(2) Payables

RMB'000

Item	Related party	Closing book Value	Beginning book value
Deposits from banks and other financial institutions	Joint ventures of the Group	3,461	32,985
Deposits from banks and other financial institutions	Associates of the Group	38,209	13,592
Deposits from banks and other financial institutions	CRRC Group and its subsidiaries	4,756,734	5,674,750
Deposits from banks and other financial institutions	Joint ventures and associates of CRRC Group and its subsidiaries	469,189	95,623
Bills payable	Joint ventures of the Group	182,790	29,023
Bills payable	Associates of the Group	18,044	89,135
Bills payable	CRRC Group and its subsidiaries	168,343	26,079
Bills payable	Joint ventures and associates of CRRC Group and its subsidiaries	2,981	736
Accounts payable	Joint ventures of the Group	1,171,813	1,981,160
Accounts payable	Associates of the Group	2,644,250	2,168,038
Accounts payable	CRRC Group and its subsidiaries	2,553,704	3,495,245

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

5 Unsettled items such as receivables and payables to related parties *(continued)*

(2) Payables *(continued)*

Item	Related party	Closing book Value	Beginning book value
Accounts payable	Joint ventures and associates of CRRC Group and its subsidiaries	93,578	93,596
Receipts in advance	CRRC Group and its subsidiaries	-	2,167
Contract liabilities	Joint ventures of the Group	5,065	1,044
Contract liabilities	Associates of the Group	55,574	74,391
Contract liabilities	CRRC Group and its subsidiaries	67,938	39,856
Contract liabilities	Joint ventures and associates of CRRC Group and its subsidiaries	131,199	71,433
Other payables	Joint ventures of the Group	18,319	9,278
Other payables	Associates of the Group	100,683	93,330
Other payables	CRRC Group and its subsidiaries	3,871,167	10,368,236
Other payables	Joint ventures and associates of CRRC Group and its subsidiaries	1,421	4,525
Lease liabilities	Associates of the Group	6,208	3,355
Lease liabilities	CRRC Group and its subsidiaries	65,786	15,955
Total	/	16,426,455	24,383,532

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

6 Related party commitments

(1) Commitments relating to related parties that have been entered into but not necessary to be presented in the financial statements are as follows

RMB'000

Item	Related party	31 December 2024	31 December 2023
Sale of goods to related parties	Joint ventures of the Group	136,919	85,432
Sale of goods to related parties	Associates of the Group	2,521	69,162
Sale of goods to related parties	CRRC Group and its subsidiaries	814	81
Purchase of goods from related parties	Joint ventures of the Group	6,635	-
Purchase of goods from related parties	Associates of the Group	11,359	4,482
Purchase of goods from related parties	CRRC Group and its subsidiaries	11,964	632
Purchase of goods from related parties	Joint ventures and associates of CRRC Group and its subsidiaries	91	-
Total	/	170,303	159,789

XIII. COMMITMENTS AND CONTINGENCIES

1 Significant commitments

RMB'000

Item	31 December 2024	31 December 2023
Construction in progress, fixed assets and land use rights	3,731,255	4,726,508
Other intangible assets	955	10,749
Total	3,732,210	4,737,257

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XIII. COMMITMENTS AND CONTINGENCIES *(continued)*

2 Contingencies

(1) Significant contingencies existing at the balance sheet date

RMB'000

Relevant entity	Guarantee holder	Amount of guarantee	Type of guarantee
The Company	Wuhu Yunda	1,192,980	Guarantee for performance, financing and profit or loss
CRRC Zhuzhou Locomotive Co., Ltd	CRRC E-LOCO SUPPLY(PTY) LTD	1,109,274	Guarantee for performance
CRRC (Hong Kong) Co. Limited.	CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V	543,653	Guarantee for performance and financing
CRRC (Hong Kong) Co., Ltd.	TIC TRENS S.A.	328,774	Guarantee for performance

(2) If there are no significant contingencies, disclose this fact:

The thirtieth meeting of the second session of the Board of Directors held on 18 July 2021 resolved that, CRRC Zhuzhou Locomotive, a wholly-owned subsidiary of the Company, entered into the Entrustment Agreement (the "Entrustment Agreement") and a series of related agreements with Zhuzhou Locomotive Industrial, a wholly-owned subsidiary of CRRC Group, which shall entrust Zhuzhou Locomotive Industrial to manage the 100% equity interest of CRRC E-LOCO SUPPLY (PTY) LTD. ("the Target Company"), and entrust Zhuzhou Locomotive Industrial to exercise all shareholders' rights from the date of the Entrustment Agreement. Based on the Entrustment Agreement, during the Entrustment Period, all operating income or operating losses of the Target Company shall be enjoyed or borne by Zhuzhou Locomotive Industrial, and the rewards and risk of changes in the overall value of the Target Company's interests shall also be enjoyed or borne by Zhuzhou Locomotive Industrial. CRRC Zhuzhou Locomotive shall relinquish all shareholders' rights from the date of the Entrustment Agreement and the Target Company

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XIII. COMMITMENTS AND CONTINGENCIES *(continued)*

2 Contingencies *(continued)*

(2) If there are no significant contingencies, disclose this fact: *(continued)*

will cease to be consolidated in the consolidated financial statements of the Company and the Target Company will cease to be a subsidiary of the Group. Prior to the Entrustment Agreement, in respect of the performance obligations of the Target Company and its subsidiaries under the Locomotive Supply Contracts, CRRC Zhuzhou Locomotive has provided performance guarantee ("the Guarantee") for the Target Company's subsidiary. Accordingly, CRRC Zhuzhou Locomotive will continue to provide the performance guarantee for the Target Company's subsidiary upon the effective date of the Entrustment Agreement. CRRC Group will provide the Counter Guarantee for the obligations of CRRC Zhuzhou Locomotive under the Guarantee pursuant to the Counter Guarantee Agreement, signed by CRRC Group and CRRC Zhuzhou Locomotive. As at 31 December 2024, the balance of the performance guarantee provided by CRRC Zhuzhou Locomotive for CRRC E-LOCO SUPPLY (PTY) LTD. amounted to RMB1.109billion.

XIV. SUBSEQUENT EVENTS

1 Profit distribution

RMB'000

Profit or dividend to be distributed	6,026,761
Profits or dividends declared after consideration and approval	-

On March 28, 2025, the Twenty-fourth Meeting of the Third Session of the Board of Directors of the Company was held to consider and approve the "Proposal on Profit Distribution for the Year 2024 of China Railway Company Limited", which proposed to distribute cash dividends to all shareholders on the basis of the total share capital registered on the date of registration of the shareholdings for the implementation of the equity distribution (the specific date of which will be specified in the announcement for the implementation of the equity distribution). As at December 31, 2024, the total share capital of the Company was 28,698,864,088 shares, based on which a cash dividend of RMB2.1 (inclusive of tax) per 10 shares will be paid, a total cash dividend of RMB6,027 million (inclusive of tax) is proposed to be paid, and the remaining undistributed profits will be carried forward to the next year for distribution. The amount of the Company's cash dividend for the current year represents 48.65% of the Company's net profit attributable to shareholders of the listed company for the year 2024. If, during the period from the date of disclosure of the announcement of the Company's profit distribution plan to the date of registration of shareholders for the implementation of the equity distribution, there is a change in the total share capital of the Company as a result of the conversion of convertible bonds/share repurchase/share buyback and cancellation of shares granted under share incentives/subsequent share buyback and cancellation of shares granted under major asset reorganization, the Company intends to maintain the total amount of the distribution unchanged, with the allocation ratio per share adjusted accordingly. If there is any subsequent change in the total share capital, the specific adjustment will be announced separately. The profit distribution proposal is yet to be considered and approved by the 2024 annual general meeting of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XV. OTHER SIGNIFICANT ITEMS

1 Segment information

(1) Basis for determining reporting segment and accounting policies

Based on the requirements of operation management, the Group's operating activities are classified in to one separate operating segment, mainly supplying the market with rail transit equipment and extended products and services, therefore the Group has no other operating segment.

(2) Financial information of reporting segments

(i) External revenue

RMB'000

Item	Accrued during the period	Accrued during the prior period
Products and services information: Rail transit equipment and extended products and services	246,456,804	234,261,514
Total	246,456,804	234,261,514
Geographical information: Mainland China	218,120,085	206,528,536
Other countries and regions	28,336,719	27,732,978
Total	246,456,804	234,261,514

(ii) Total specified non-current assets

RMB'000

Item	31 December 2024	31 December 2023
Mainland China	142,770,028	135,598,358
Other countries and regions	8,567,634	6,010,470
Total	151,337,662	141,608,828

The non-current assets are attributable to the regions where the assets are located, and exclude financial assets, financing lease receivable and deferred tax assets

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XV. OTHER SIGNIFICANT ITEMS *(continued)*

1 Segment information *(continued)*

(2) Financial information of reporting segments *(continued)*

(iii) Major customers

The Group's operating income from major customer China State Railway Group is RMB108,348,069,000 (January- December 2023: RMB89,958,290,000). The Group has no other single customer from which the revenue accounts for over 10% of the Group's operating income.

2 Other significant transactions or events affecting investors' decision-making

(1) Net current assets

RMB'000

Item	31 December 2024	31 December 2023
Current assets	346,293,134	314,587,463
Less: Current liabilities	278,705,048	250,407,506
Net current assets	67,588,086	64,179,957

(2) Total assets less current liabilities

RMB'000

Item	31 December 2024	31 December 2023
Total assets	512,823,630	471,791,735
Less: Current liabilities	278,705,048	250,407,506
Total assets less current liabilities	234,118,582	221,384,229

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XV. OTHER SIGNIFICANT ITEMS (continued)

3 Others

(1) Basic earnings per share

The basic earnings per share is calculated by dividing the current net profit attributable to the common shareholders of the company by the weighted average number of common shares issued:

Item	31 December 2024	31 December 2023
Net profit of the year attributable to ordinary shareholders (RMB'000)	12,387,514	11,711,576
Number of ordinary shares issued in the current period (thousand shares)	28,698,864	28,698,864
Basic earnings per share (RMB/share)	0.43	0.41

(2) Diluted earnings per share

Item	31 December 2024	31 December 2023
Net profit of the year attributable to ordinary shareholders (RMB'000)	12,387,514	11,711,576
Plus: impact of convertible bonds (RMB'000)	-	-
Net profit used to calculate diluted earnings per share (RMB'000)	12,387,514	11,711,576
Number of ordinary shares issued in the current period (thousand shares)	28,698,864	28,698,864
Plus: impact of convertible bonds (thousand shares)	-	-
Number of ordinary shares issued in the current period to calculate diluted earnings per share (thousand share)	28,698,864	28,698,864
Diluted earnings per share (RMB/share)	0.43	0.41

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XVI. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1 Cash and bank on hand

(1) Cash at bank and on hand

RMB'000

Item	31 December 2024	31 December 2023
Deposits with banks	6,399,182	16,388,480
Other monetary funds	200,002	500,000
Total	6,599,184	16,888,480

(2) Cash at bank and on hand with restrictive ownership title or right of use

RMB'000

Category	31 December 2024	31 December 2023
Bank acceptance bills deposit	200,002	500,000
Total	200,002	500,000

As at 31 December 2024, there were RMB694,752,000 unsecured and unrestricted time deposits with maturity of three months and above (31 December 2023: RMB669,833,000).

2 Other receivables

Presented by item

RMB'000

Category	Closing balance	Opening balance
Dividends receivable	4,887,184	6,254,719
Other receivables	11,216,318	12,388,643
Total	16,103,502	18,643,362

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XVI. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

2 Other receivables *(continued)*

Dividends receivable

RMB'000

Item (or investee)	Closing balance	Opening balance
Dividends receivable from subsidiaries	4,887,184	6,102,781
Dividends receivable from Joint venture	-	151,938
Total	4,887,184	6,254,719

Other receivables

(1) Analysis by aging

RMB'000

Ageing	Carrying amount at the end of the period	Opening balance
Within 1 year	10,580,358	12,366,325
1-2 years	617,249	9,249
2-3 years	6,364	15,601
Over 3 years	27,525	13,317
Sub-total	11,231,496	12,404,492
Less: Credit loss allowance	(15,178)	(15,849)
Total	11,216,318	12,388,643

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XVI. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

2 Other receivables (continued)

Other receivables (continued)

(2) Other receivables categorized by nature

RMB'000

Nature of other receivables	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Transactions between subsidiaries	11,190,085	12,370,132
Others	26,233	18,511
Total	11,216,318	12,388,643

(3) Top five entities with the largest balances of other receivables

RMB'000

Name of enterprise	Book value at 31 December 2023	Proportion to total closing balance of other receivables (%)	Balance of loss allowance at 31 December 2023
Top 5 Other receivables	9,773,124	87.02	9,773

3 Long-term equity investments

RMB'000

Item	Closing balance			Opening balance		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investments in subsidiaries	109,121,244	-	109,121,244	105,102,093	-	105,102,093
Investments in joint ventures and associates	10,380,742	-	10,380,742	9,630,623	-	9,630,623
Total	119,501,986	-	119,501,986	114,732,716	-	114,732,716

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XVI. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

3 Long-term equity investments (continued)

(1) Investments in subsidiaries

RMB'000

Investee	Opening balance	Additions during the period	Decrease during the period	Closing balance
CRRC Changchun	11,978,306	-	-	11,978,306
CRRC Zhuzhou Institute	11,933,572	1,097,000	-	13,030,572
CRRC Zhuzhou Locomotive	5,799,851	28,532	-	5,828,383
CRRC Tangshan	8,462,469	-	-	8,462,469
CRRC Dalian	6,374,511	6,130	-	6,380,641
CRRC Qiqihar Group	8,794,071	-	-	8,794,071
CRRC Yangtze River Group	5,716,509	-	-	5,716,509
CRRC Asset Management	3,214,106	-	-	3,214,106
CRRC Qishuyan	2,411,044	-	-	2,411,044
CRRC Qishuyan Institute	2,254,296	-	-	2,254,296
CRRC Capital Management	2,511,188	800,000	-	3,311,188
CRRC Nanjing Puzhen	5,148,070	11,201	-	5,159,271
CRRC Hong Kong Capital Management	3,180,486	-	-	3,180,486
CRRC Construction Engineering	845,372	-	-	845,372
CRRC Yongji Electric	2,305,118	732,266	-	3,037,384
CRRC Sifang Institute	3,170,192	458,098	-	3,628,290
CRRC Finance	3,348,213	-	-	3,348,213
CRRC Zhuzhou Electric	1,375,877	5,100	-	1,380,977
CRRC Ziyang	1,061,086	-	-	1,061,086
CRRC Beijing Nankou	727,412	-	-	727,412
CRRC Datong	1,313,207	484,000	-	1,797,207
CRRC Dalian R&D	196,206	-	(196,206)	-
CRRC Dalian Institute	1,266,907	-	-	1,266,907
CRRC Logistics	654,196	-	-	654,196
CRRC Industrial Institute	239,220	11,610	-	250,830
CRRC International	2,562,337	10,000	-	2,572,337
CRRC Information Technology	663,855	153,670	-	817,525
CRRC Sifang Vehicles	6,510,083	37,750	-	6,547,833
CRRC Qihang New Energy Technology	180,000	300,000	-	480,000
Other subsidiaries	904,333	80,000	-	984,333
Total	105,102,093	4,215,357	(196,206)	109,121,244

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XVI. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

3 Long-term equity investments (continued)

(2) Investments in joint ventures and associates

RMB'000

Name of investee	Opening balance	Additional investment	Decrease in investments	Changes for the year		Other equity movements	Cash dividend or profits declared	Closing balance
				Investment income or loss under equity-method	Adjustments to other comprehensive income			
I. Joint ventures								
Wuhu Yunda	144,817	-	-	(4,915)	-	-	-	139,902
Sub-total	144,817	-	-	(4,915)	-	-	-	139,902
II. Associates								
China United Insurance	5,374,042	-	-	53,576	2,311	-	-	5,429,929
CRRC Financial Leasing	3,301,347	398,592	-	299,685	(141)	-	-	3,999,483
Others	810,417	-	-	7,461	(269)	(734)	(5,447)	811,428
Sub-total	9,485,806	398,592	-	360,722	1,901	(734)	(5,447)	10,240,840
Total	9,630,623	398,592	-	355,807	1,901	(734)	(5,447)	10,380,742

4 Revenue and operating cost

(1) Details of revenue and operating costs

RMB'000

Item	Accrued during the period		Accrued during the prior period	
	Income	Cost	Income	Cost
Principal operating activities	-	-	-	-
Other operating activities	414,956	4,096	395,818	4,047
Total	414,956	4,096	395,818	4,047

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XVI. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

4 Revenue and operating cost (continued)

(2) Details of revenue from contracts

RMB'000

Type of contract	Rail transit equipment and extended products and services	Total
By geographical regions		
Mainland China	414,956	414,956
Other countries and regions	-	-
Total	414,956	414,956

5 Investment income

RMB'000

Item	January – December 2024	January – December 2023
Income from long-term equity investments accounted for using cost method	5,856,898	7,795,142
Income from long-term equity investments accounted for under equity method	355,807	23,445
Investment income from disposal of long-term equity investments	-	871,349
Total	6,212,705	8,689,936

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XVI. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

6 Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

RMB'000

Supplementary information	Accrued during the period	Accrued during the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	5,325,995	8,271,776
Credit losses	(779)	7,189
Depreciation of fixed assets	4,737	6,253
Depreciation of right-of-use assets	23,201	23,201
Amortisation of intangible assets	22,676	22,842
Losses from disposal of fixed assets	88	1,002
Financial expenses	390,253	49,942
Investment income	(6,212,705)	(8,689,936)
Decrease in operating receivables	4,879	1,396,409
Increase in operating payables	195,296	(1,402,771)
Net cash flows generated from operating activities	(246,359)	(314,093)
2. Net changes in cash and cash equivalents		
Closing balance of cash and cash equivalents	5,704,430	15,718,647
Less: Opening balance of cash and cash equivalents	15,718,647	16,251,079
Net increase in cash and cash equivalents	(10,014,217)	(532,432)

(2) Composition of cash and cash equivalents

RMB'000

Item	Accrued during the period	Accrued during the prior period
I. Cash	5,704,430	15,718,647
Including: Cash on hand	-	-
Bank deposits available on demand	5,704,430	15,718,647
II. Cash equivalents	-	-
III. Closing balance of cash and cash equivalents	5,704,430	15,718,647

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

XVII. SUPPLEMENTARY INFORMATION

1 Breakdown of non-recurring gain or loss

RMB'000

Item	Amount	Note
Gains and losses on disposal of non current assets, including the write off part of provision for impairment of assets	206,354	/
Government grants recognised in profit and loss (other than grants which are closely related to the Company's business and are based on defined criteria, and have a continuous impact on the Company's profit and loss in accordance with the national standard)	1,940,982	/
Changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and disposal of financial assets and liabilities, other than those held for effective hedging related to normal operations	390,408	/
Gains or losses from debt restructuring	23,058	/
One time expenses incurred by the enterprise due to the discontinuance of relevant business activities, such as staff compensation cost	(116,846)	/
Gains from disposal of residual equity of subsidiaries recalculated at fair value	-	/
Profit and loss from disposal of assets of subsidiaries	-	/
Other non-operating income and expenses besides items above	391,686	/
Other profit and loss items that meet the definition of non recurring profit and loss	339,173	/
Tax effect	(564,861)	/
Effects attributable to minority interests	(365,255)	/
Total	2,244,699	/

Reason for defining items as non-recurring gain or loss items according to Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Gain or Loss, and reasons for defining non-recurring gain or loss items illustrated in information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 – Non-recurring Gain or Loss as recurring gain or loss items should be specified.

2 Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary equity shareholders	7.51	0.43	0.43
Net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	6.15	0.35	0.35

Chairman: Sun Yongcai

Definitions

Articles of Association	the Articles of Association of the Company
A Share(s)	the Company's domestic share(s) listed on the Shanghai Stock Exchange
Board	the board of directors of the Company, unless the context requires otherwise
Board of Supervisors	the board of supervisors of the Company, unless the context requires otherwise
CNR	former China CNR Corporation Limited (中國北車股份有限公司)
CNRG	former China Northern Locomotive & Rolling Stock Industry (Group) Corporation (中國北方機車車輛工業集團公司)
CRRC or Company	CRRC Corporation Limited (中國中車股份有限公司)
CRRC Changchun	CRRC Changchun Railway Vehicles Co., Ltd. (中車長春軌道客車股份有限公司)
CRRC Dalian	CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)
CRRCG or CRRC GROUP	CRRC GROUP Co., Ltd. (中國中車集團有限公司)
CRRC Hongkong	CRRC Hongkong Co., Ltd. (中國中車(香港)有限公司)
CRRC Qiche Group	CRRC Qiqihar Group Co., Ltd. (中車齊車集團有限公司)
CRRC Sifang	CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)
CRRC Sifang Institute	CRRC Qingdao Sifang Institute Co., Ltd. (中車青島四方車輛研究所有限公司)
CRRC Tangshan	CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)
CRRC ZELRI or Zhuzhou Institute	CRRC Zhuzhou Electric Locomotive Research Institute Co., Ltd. (中車株洲電力機車研究所有限公司)
CRRC Zhuzhou Electric	CRRC Zhuzhou Electric Co., Ltd. (中車株洲電機有限公司)
CRRC Zhuzhou	CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)
CSR	former CSR Corporation Limited (中國南車股份有限公司)
CSR and CNR	CSR and CNR
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
CSRG	former CSR Group (中國南車集團公司)

Definitions

Director(s)	director(s) of the Company, unless the context requires otherwise
Finance Company	CRRC Finance Co., Ltd. (中車財務有限公司)
Group	the Company and its subsidiaries
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
H Share(s)	the Company's foreign share(s) listed on the Stock Exchange
Ministry of Finance	the Ministry of Finance of the People's Republic of China
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
SASAC	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
Senior Management	senior management of the Company, unless the context requires otherwise
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SSE	Shanghai Stock Exchange
State Railway Group	China State Railway Group Co., Ltd. (中國國家鐵路集團有限公司)
Stock Exchange	The Stock Exchange of Hong Kong Limited
Supervisor(s)	supervisor(s) of the Company, unless the context requires otherwise
Times Electric	Zhuzhou CRRCTimes Electric Co., Ltd. (株州中車時代電氣股份有限公司)
Times New Material	Zhuzhou Times New Material Technology Co., Ltd. (株州時代新材料科技股份有限公司)

Company Profile

CHINESE NAME	中國中車股份有限公司
ENGLISH NAME	CRRC Corporation Limited
REGISTERED OFFICE	No. 16 Central West Fourth Ring Road, Haidian District, Beijing 100036, the PRC
BUSINESS ADDRESS OF THE HEAD OFFICE	No. 16 Central West Fourth Ring Road, Haidian District, Beijing 100036, the PRC
PRINCIPAL PLACE OF BUSINESS IN HONG KONG	Unit 4601, 46/F., Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong
LEGAL REPRESENTATIVE	Sun Yongcai
EXECUTIVE DIRECTORS	Sun Yongcai Wang An
INDEPENDENT NON-EXECUTIVE DIRECTORS	Shi Jianzhong Weng Yiran Ngai Ming Tak
EMPLOYEE DIRECTOR	Yi Ran
AUTHORIZED REPRESENTATIVES	Sun Yongcai Xiao Shaoping
JOINT COMPANY SECRETARIES	Wang Jian Xiao Shaoping
SECRETARY TO THE BOARD	Wang Jian
SECURITIES REPRESENTATIVE	Jin Yonggang
TELEPHONE FOR INFORMATION INQUIRY	(8610) 5186 2188
FAX	(8610) 6398 4785
WEBSITE	http://www.crccgc.cc/
E-MAIL ADDRESS	crcc@crccgc.cc
H SHARE REGISTRAR	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong

Company Profile

PLACES OF LISTING	The Stock Exchange of Hong Kong Limited Shanghai Stock Exchange
STOCK NAME	中國中車(CRRC)
STOCK CODE	1766 (Hong Kong) 601766 (Shanghai)
INDEPENDENT AUDITOR	KPMG Huazhen LLP Certified Public Accountants 8/F, Tower E2, Oriental Plaza 1 East Chang'an Avenue Dongcheng District Beijing, PRC
LEGAL ADVISERS	As to Hong Kong laws: Baker & McKenzie 14th Floor, One Taikoo Place 979 King's Road Quarry Bay Hong Kong As to PRC laws: Jia Yuan Law Offices F408 Ocean Plaza 158 Fuxing Men Nei Avenue Beijing the PRC



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