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株洲中车时代电气股份有限公司
ZHUSHOU CRRC TIMES ELECTRIC CO., LTD.

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

(Stock Code: 3898)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the “**Board**”) of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024. This announcement, containing the main text of the 2024 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to the information to accompany preliminary announcements of interim results. The 2024 interim report of the Company will be published and available for viewing on the website of the Stock Exchange at <http://www.hkex.com.hk> and on the website of the Company at <http://www.tec.crrczic.cc> on or before 30 September 2024.

By order of the Board
Zhuzhou CRRC Times Electric Co., Ltd.
Li Donglin
Chairman

Zhuzhou, China, 23 August 2024

As at the date of this announcement, our chairman of the Board and executive Director is Li Donglin, our vice chairman of the Board and executive Director is Shang Jing, our other executive Director is Xu Shaolong, and our independent non-executive Directors are Li Kaiguo, Zhong Ninghua, Lam Siu Fung and Feng Xiaoyun.

Important Notice

I. THE BOARD OF DIRECTORS, THE SUPERVISORY COMMITTEE, THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY WARRANT THAT THE INFORMATION STATED IN THIS INTERIM REPORT IS TRUE, ACCURATE, COMPLETE AND WITHOUT ANY FALSE REPRESENTATION, MISLEADING STATEMENT OR MATERIAL OMISSION, AND ASSUME SEVERAL AND JOINT LIABILITIES.

II. WARNING OF SIGNIFICANT RISKS

For the description of relevant risks, please refer to section III “Management Discussion and Analysis” of this report.

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

IV. THIS INTERIM REPORT WAS UNAUDITED.

V. LI DONGLIN, PERSON-IN-CHARGE OF THE COMPANY, SUN SHAN, THE ACCOUNTING CHIEF, AND YUAN FENG, PERSON-IN-CHARGE OF THE ACCOUNTING DEPARTMENT (HEAD OF THE ACCOUNTING DEPARTMENT), WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE FINANCIAL REPORT SET OUT IN THIS INTERIM REPORT.

VI. THE PROFIT DISTRIBUTION PROPOSAL OR PROPOSAL ON TRANSFER OF CAPITAL RESERVE FUND INTO SHARE CAPITAL FOR THE REPORTING PERIOD CONSIDERED AND APPROVED BY THE BOARD

Nil

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

☐ Applicable ☒ Not applicable

VIII. DISCLAIMER OF FORWARD-LOOKING STATEMENTS

☒ Applicable ☐ Not Applicable

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

IX. WHETHER THE CONTROLLING SHAREHOLDER OR OTHER RELATED PARTIES HAVE MISAPPROPRIATED THE COMPANY’S FUNDS FOR NON-OPERATION PURPOSES

No

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

No

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

No

XII. OTHERS

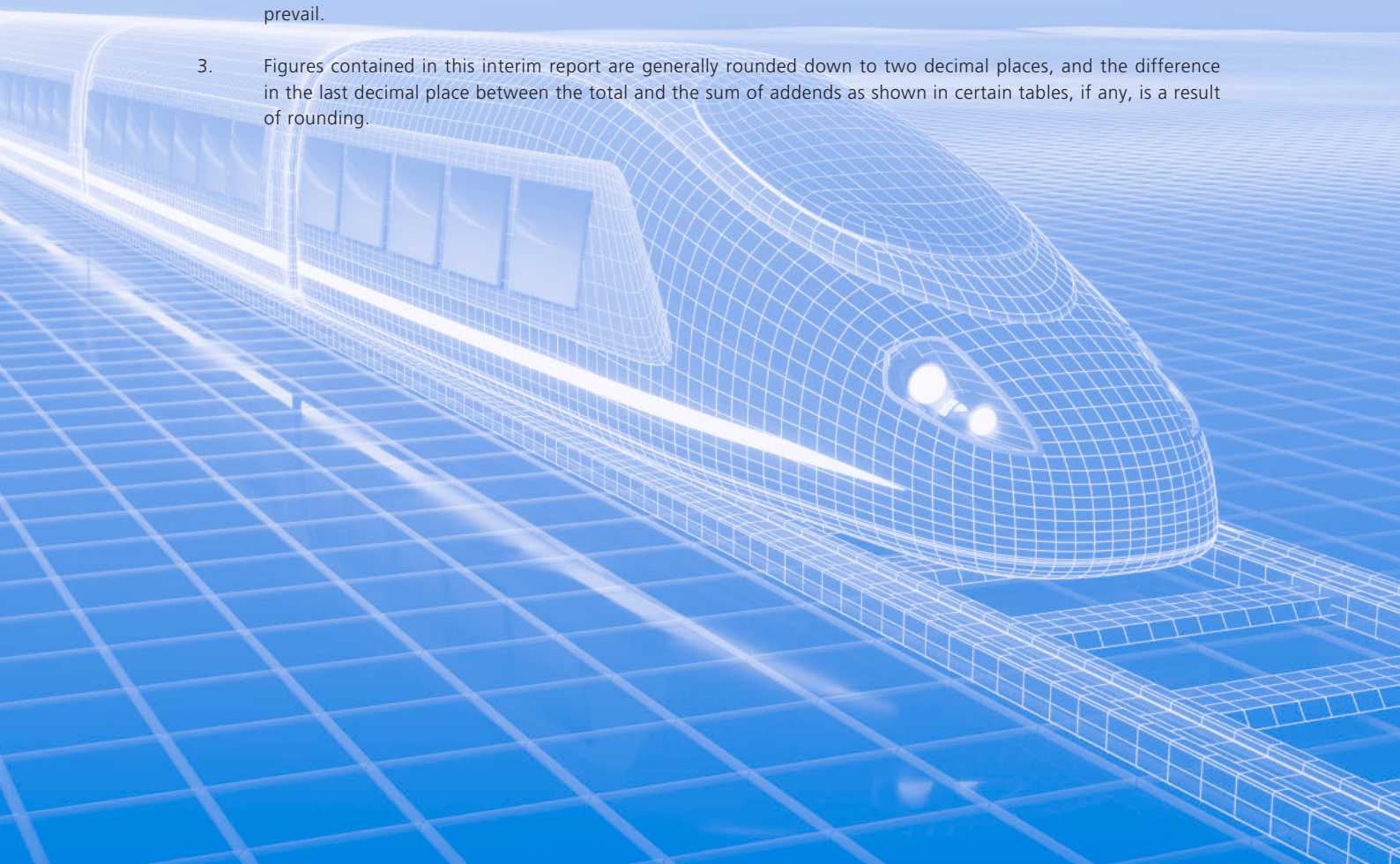
☐ Applicable ☒ Not applicable

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Notes:

1. Financial information in this interim report has been prepared based on the PRC Accounting Standards.
2. This interim report is prepared in both Chinese and English. In case of any inconsistencies, the Chinese shall prevail.
3. Figures contained in this interim report are generally rounded down to two decimal places, and the difference in the last decimal place between the total and the sum of addends as shown in certain tables, if any, is a result of rounding.



Section I Definitions

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

DEFINITIONS OF FREQUENTLY USED TERMS

"A Share(s)"	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the STAR Market of the SSE and subscribed for and traded in Renminbi
"Articles of Association"	the articles of association of the Company
"Baoji CRRC Times"	Baoji CRRC Times Engineering Machinery Co., Ltd. (寶雞中車時代工程機械有限公司)
"Beijing Maohuan"	Beijing Maohuan Rail Transit Industry Investment Management Partnership (Limited Partnership) (北京懋垣軌道交通產業投資管理合夥企業(有限合夥))
"Board"	the board of Directors of the Company
"CNR"	former China CNR Corporation Limited (中國北車股份有限公司)
"Company", "Times Electric" or "CRRC Times Electric"	Zhuzhou CRRC Times Electric Co., Ltd. (株洲中車時代電氣股份有限公司)
"CRRC"	CRRC Corporation Limited (中國中車股份有限公司)
"CRRC Asset Management"	CRRC Asset Management Co., Ltd. (中車資產管理有限公司), previously known as CRRC Investment & Leasing Co., Ltd. (中車投資租賃有限公司)
"CRRC Group"	CRRC Group Co., Ltd. (中國中車集團有限公司)
"CRRC Investment & Leasing"	CRRC Investment & Leasing Co., Ltd. (中車投資租賃有限公司), renamed as CRRC Asset Management Co., Ltd. (中車資產管理有限公司) in January 2024
"CRRC Times Semiconductor"	Zhuzhou CRRC Times Semiconductor Co., Ltd. (株洲中車時代半導體有限公司)
"CRRC ZELRI"	CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)
"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)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Group"	the Company and its subsidiaries

Section I Definitions

"H Share(s)"	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange and are subscribed for and traded in HK\$
"PRC Accounting Standards"	Accounting Standards for Business Enterprises and relevant regulations issued by the Ministry of Finance of the PRC
"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)
"SEHK Listing Rules" or "Hong Kong Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SSE"	the Shanghai Stock Exchange (上海證券交易所)
"SSE STAR Market Listing Rules"	Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the SSE
"State Railway Group"	China State Railway Group Co., Ltd. (中國國家鐵路集團有限公司)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisory Committee"	the supervisory committee of the Company
"the reporting period"	six months ended 30 June 2024

Section II Corporate Profile and Key Financial Indicators

I. CORPORATE INFORMATION

Chinese name of the Company	株洲中車時代電氣股份有限公司
Chinese abbreviation	時代電氣
English name of the Company	Zhuzhou CRRC Times Electric Co., Ltd.
English abbreviation	Times Electric
Legal representative of the Company	Li Donglin
Registered address of the Company	Times Road, Shifeng District, Zhuzhou
Previous change of registered address of the Company	None
Office address of the Company	Times Road, Shifeng District, Zhuzhou
Postal code of office address of the Company	412001
Website of the Company	www.tec.crrczic.cc
E-mail	ir@csrzic.com
Query index of changes during the reporting period	Not applicable

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board (Domestic representative for information disclosure)	Representative of securities affairs
Name	Long Furong	Xiao Ying
Correspondence address	Times Road, Shifeng District, Zhuzhou	Times Road, Shifeng District, Zhuzhou
Telephone	0731-28498028	0731-28498028
Fax	0731-28493447	0731-28493447
E-mail	ir@csrzic.com	ir@csrzic.com

III. CHANGE IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers designated by the Company for information disclosure	Shanghai Securities News (www.cnstock.com), China Securities Journal (www.cs.com.cn), Securities Times (www.stcn.com) and Securities Daily (www.zqrb.cn)
Website for publishing the interim report of the Company	www.sse.com.cn
Place where interim report of the Company is available for inspection	Board Office of Zhuzhou CRRC Times Electric Co., Ltd. at Times Road, Shifeng District, Zhuzhou
Query index of changes during the reporting period	Not applicable

Section II Corporate Profile and Key Financial Indicators

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

(I) Basic information of shares of the Company

☒ Applicable ☐ Not Applicable

Basic information of shares of the Company				
Class of shares	Place of listing and market	Stock abbreviation	Stock code	Stock abbreviation before change
A Shares	STAR Market of the SSE	Times Electric	688187	Not applicable
H Shares	Main Board of the Stock Exchange	Times Electric	3898	CRRRC Times Elec

(II) Basic information of depositary receipts of the Company

☐ Applicable ☒ Not applicable

V. OTHER RELEVANT INFORMATION

☐ Applicable ☒ Not applicable

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Key Accounting Data

Unit: Yuan Currency: RMB

Key accounting data	Current reporting period (January to June)	Corresponding period of last year	Increase/decrease from the corresponding period of last year (%)
Revenue	10,283,733,393	8,570,210,633	19.99
Net profit attributable to shareholders of the listed company	1,506,841,018	1,154,168,154	30.56
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	1,158,683,608	928,692,585	24.77
Net cash flow from operating activities	670,363,515	-468,059,212	N/A

Section II Corporate Profile and Key Financial Indicators

	As at the end of the current reporting period	As at the end of last year	Increase/decrease from the end of last year (%)
Net assets attributable to shareholders of the listed company	39,518,775,875	36,865,956,579	7.20
Total assets	61,936,184,997	53,404,847,387	15.97

(II) Key Financial Indicators

Key financial indicators	Current reporting period (January to June)	Corresponding period of last year	Increase/ decrease from the corresponding period of last year (%)
Basic earnings per share (RMB/share)	1.07	0.81	32.10
Diluted earnings per share (RMB/share)	1.07	0.81	32.10
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.82	0.66	24.24
Weighted average rate of return on net assets (%)	3.93	3.28	Increased by 0.65 percentage points
Weighted average rate of return on net assets after deduction of non-recurring profit or loss (%)	3.02	2.64	Increased by 0.38 percentage points
R&D investment as a percentage of revenue (%)	9.47	9.97	Decreased by 0.50 percentage points

Explanation of key accounting data and financial indicators of the Company

✓ Applicable ☐ Not Applicable

Net profit attributable to shareholders of the listed company: Net profit attributable to shareholders of the listed company recorded a year-on-year increase of 30.56%, primarily attributable to an increase in operating profit due to the increase in revenue.

Net cash flow from operating activities: Net cash flow from operating activities recorded a year-on-year increase, primarily attributable to a year-on-year increase in cash received from sale of goods and rendering of services.

Basic earnings per share and diluted earnings per share: Basic earnings per share and diluted earnings per share recorded a year-on-year increase of 32.10%, primarily attributable to a year-on-year increase in net profit attributable to shareholders of the listed company.

Section II Corporate Profile and Key Financial Indicators

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

☐ Applicable ☒ Not applicable

VIII. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount	Note (where applicable)
Profit and loss on disposal of non-current assets, including the reversal of provision for asset impairment	2,958,532	/
Government grants recognised through profit or loss for the period (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed according to a fixed standard with continuing impact on the profit or loss of the Company)	359,866,247	/
Gain or loss on changes in fair value from financial assets and financial liabilities held by non-financial enterprises, and gain or loss from disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	56,608,780	/
Reversal of impairment provision for trade receivables subject to separate impairment assessment	80,000	/
Other non-operating income and expenses apart from the aforesaid items	6,082,662	/
Less: Effect of income tax	58,197,181	/
Effect of non-controlling interests (after tax)	19,241,630	/
Total	<u>348,157,410</u>	<u>/</u>

Explanations of recognising items not listed in the "Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profits or Losses" as non-recurring profit or loss items and with significant amounts, and treating non-recurring profit or loss items defined and listed in the "Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profits or Losses" as recurring profit or loss items

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not applicable

Section III Management Discussion and Analysis

I. INDUSTRY LANDSCAPE AND THE PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Principal Business

As a leading traction converter system supplier in China's rail transit industry, the Company has integrated capabilities in R&D, design, manufacturing, sales and services, and is committed to becoming a preferred supplier of comprehensive solutions for rail transit equipment in the world.

With a focus on technology R&D, the Company upholds the philosophy of "high-quality, high-efficiency operation" and the strategy of "concentric diversification" to gradually develop non-rail transit markets on the basis of consolidating the rail transit business, so as to create new growth drivers.

The Company is mainly engaged in the R&D, design, manufacturing and sales of rail transit equipment products and the provision of related services, and has an industrial structure of "components+ systems + complete machines". Its products mainly include rail transit electrical equipment (primarily traction converter systems of rail transit vehicles), railway engineering machinery and communication signal systems. Meanwhile, the Company actively expands to industries other than rail transit, and conducts business in the fields of power semiconductor devices, industrial converter products (mainly including wind, solar and hydrogen storage equipment and photovoltaic engineering converters, mining truck electric drive, air-conditioning converters, metallurgical converters and ship converters), electric drive systems for new energy vehicles, sensor devices, marine equipment, etc. After years of R&D efforts and technology accumulation, the Company has developed a completely independent intellectual property rights system, and has become a high-tech enterprise with independent intellectual property rights in the fields of electrical system technology, converter and control technology, industrial converter technology, train control and diagnosis technology, railway engineering machinery technology, power semiconductor technology, communication signal technology, data and intelligent application technology, traction power supply technology, inspection and testing technology, deep-sea robotic technology, NEV electric drive system technology, and sensor technology.

Since its establishment, the Company's principal business has not changed significantly.

(II) Industry Landscape

The ongoing implementation of the "Outline for the Construction of Nation with Strong Transportation System", the "carbon peak and neutrality" strategy and other national initiatives will bring significant opportunities to the Company in developing rail transit and new energy equipment business.

Section III Management Discussion and Analysis

The “Outline for the Construction of Nation with Strong Transportation System” explicitly proposes to promote intelligent and digital transportation equipment, vigorously develop intelligent transportation, and advocate low-carbon and eco-friendly development. For the development of advanced rail transit equipment, China aims to develop a new generation of green, intelligent, high-speed and heavy-duty rail transit equipment system, provide users with integrated solutions across the life cycle of the system, and build a world-leading modern rail transit industry. Meanwhile, in the context of the carbon peak and neutrality strategy, the state vigorously improves railway transport capacity under the “highway to railway” initiative, and hence heavy-duty freight locomotives still have great growth potential; as a core part of the New Infrastructure Plan, intercity high-speed railway/urban rail transit has ushered in attractive development opportunities; market opportunities abound in the urban rail industry which is driven by smart technologies and integrated innovation; the rail transit maintenance market is huge in size with a significant growth momentum.

China’s “carbon peak and neutrality” strategy is a major decision made based on the international and domestic environment, and of great significance for building an ecological civilisation in China, leading global climate governance and realising the Two Centenary Goals. In the context of “carbon peak and neutrality”, China’s new energy power generation industry is booming, especially in the “wind power, photovoltaic power, energy storage, and hydrogen power” market segments. The new energy market has great prospects and unlimited business opportunities. The key to industrial development is to work with partners to build an end-to-end technology ecosystem with deep integration of wind, solar, energy storage, hydrogen and electronic control technologies. In addition, driven by the “carbon peak and neutrality” policy, the low-carbon energy transformation will fuel the rapid development of electric drive system for new energy vehicles, semiconductor devices and sensors.

Section III Management Discussion and Analysis

II. CORE TECHNOLOGIES AND R&D PROGRESS

1. Core Technologies and their Advancedness and Changes During the Reporting Period

Since its establishment, the Company has been deeply engaged in the field of traction converter systems of rail transit vehicles, thus developing outstanding scientific and technological innovation strength. On this basis, the Company follows the strategy of “concentric diversification” to extend to related fields. Through independent research and development, the Company has developed a range of core technologies including electrical system technology, converter and control technology, industrial converter technology, train control and diagnosis technology, railway engineering machinery technology, power semiconductor technology, communication signal technology, data and intelligent application technology, traction power supply technology, inspection and testing technology, deep-sea robotic technology, new energy vehicle electric drive system technology, and sensor technology. As at 30 June 2024, the Company had 3,540 valid domestic and foreign registered patents to protect its core technologies. Moreover, it has signed confidentiality agreements and non-competition agreements with the relevant personnel to ensure that the core technologies are not disclosed.

The core technologies owned by the Company mainly include but are not limited to the following:

No.	Core technologies		Overview, advancedness and characteristics of technology
1	Electrical system technology	System integration technology	By establishing a scientific system of demand engineering, system stratification, system decision-making, system optimisation and system-component interaction, the Company has made breakthroughs in the research on integrated technologies such as asynchronous traction system, permanent magnet synchronous traction system, maglev traction system, electromechanical system integration and industrial equipment, forming a leading R&D system in China’s rail transit industry. The traction converter systems developed by the Company are widely applied to locomotives, bullet trains, urban rail transit, maglev trains, etc.
2	Electrical system technology	System simulation technology	The Company has made breakthroughs in multi-level and multi-physical modeling technology covering operating environment, system, components, devices, etc. Based on multi-level virtual testing, verification and assessment technology covering software-in-the-loop, hardware-in-the-loop, power-in-the-loop and system-in-the-loop testing, the Company has conducted research on multi-objective optimisation design of traction converter systems with optimal performance in cost, energy consumption, power density and reliability and key components, thus comprehensively improving traction converter system products in terms of technology, performance, quality and cost

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
3	Converter and control technology	Overall converter technology	The Company has developed core key technologies such as power module application technology, system cooling technology, advanced converter control technology, lightweight design technology, safety design technology, circuit topology and simulation technology, structural strength simulation and optimisation technology, human factor engineering, EMC and environmental-friendly technology, and formed a serialised converter product platform that meets the application requirements of high-power locomotives, high-speed EMUs and urban rail transit vehicles
4	Converter and control technology	Converter topology technology	By developing key converter technologies such as multi-level converter technology, multiple series-parallel or cascade technology, bidirectional energy transmission technology, and common DC bus distributed coordination technology, the Company can flexibly configure the optimal topologies for different application fields and different power levels. With such topologies, relevant converter products are developed and applied to meet the application needs in the rail transit and industrial converter fields
5	Converter and control technology	Electric drive control technology	The Company adopts the rotor time constant identification technology based on excitation current attenuation, and overcomes the key problems of parallel power supply technology in auxiliary transformer control, which greatly improves the power supply performance, simplifies the vehicle power supply configuration and vehicle logic, and provides strong technical support for motor maintenance and inverter application. In the field of multi-source power system, we realise the optimisation of energy management by integrating the collaborative control technology of power chain and control chain, which significantly improves the efficiency and availability of the system
6	Converter and control technology	Power semiconductor device application technology	The Company has developed such key technologies as device application characteristic technology, drive and control technology, overall module technology and module reliability, and built a stable and reliable multi-voltage IGBT device application technology platform. With a mature module product platform and drive pulse control platform for rail transit and industrial transmission, the Company can meet the needs of new topology application based on converter systems and optimal application of new power semiconductor devices, and conduct low-cost and high-reliability research based on product needs to support rail transit and industrial converter sectors

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
7	Industrial converter technology		Focusing on the major industries – mining, metallurgy, HVAC, vessels and new energy, the Company has developed such key technologies as multi-device, multi-power-module and multi-converter-unit parallel integration technology, onboard converter technology, high-power multi-level converter technology, technology for high dynamic response control of ultra-high power electric excitation synchronous motor, anti-vibration technology in bad road conditions, high-performance adhesion control technology on wet and slippery multi-state roads, extreme cold and high-altitude environment adaptation technology, multi-refrigerant self-optimising temperature control, multi-machine resonance suppression technology, weak grid applicability technology and intelligent IV diagnosis technology. On this basis, the Company has built an industrial converter and new energy converter technology and product platform with independent intellectual property rights and covering high, medium and low voltages and a capacity range of 0.1-4,000kVA, proposed and successfully applied a full-process positive product cost and quality control model, and developed a completely independent technology and industrial chain spanning from IGBT devices, power modules and converter devices to industrial system solutions, so as to provide full life cycle solutions based on customer value creation
8	Train control and diagnosis technology	Network control and diagnosis technology	The Company has developed high security, strong real-time, high reliability, multi-network integration and intelligent human-computer interaction technologies for train network control and diagnosis, and built a DTECS-1 network control platform with MVB/WTB technology, a DTECS-2 modular platform with real-time Ethernet technology, a DTECS-G general chassis platform, and a serialised high-performance train display platform, and taken the lead in promoting the industrial application of new technologies and products such as real-time Ethernet and multi-network integration. Its products have been widely used in locomotives, bullet trains, urban rail and other vehicles
9	Train control and diagnosis technology	Train control multi-system integration technology	The Company has developed such key technologies as deterministic Ethernet communication, virtualisation, high-performance computing, high-level security, integrated control and integrated display, designed a unified new integrated train control system architecture to break the boundaries of on-board subsystems and lay a foundation for the optimisation and intellectualisation of vehicle functions, and developed a complete set of technology and solution capabilities, so that it can provide users with solutions tailored for different application scenarios

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
10	Train control and diagnosis technology	General train coupling application technology	The Company has developed train coupling control technology based on radio, GSM-R, LTE private network, WIFI and other wireless communication networks, solved the problems of difficulty in laying connection cables, cable loosening and aging, interface incompatibility and differences in control characteristics in flexible train formation, and realised coordinated control of multiple locomotives of different types and at different locations, covering a number of formation modes including 2+0, 1+1, 2+2, etc. By widely applying the technology in 10,000-ton and 20,000-ton heavy-haul trains and leveraging its AC-DC and internal electric mixing capabilities, the Company has formed a remote and close wireless connection control platform to provide heavy-duty and flexible formation solutions
11	Railway engineering machinery technology	Railway engineering machinery system integration technology	The Company has developed R&D capabilities for railway vehicles, lifting railway vehicles, rail flat cars, catenary maintenance vehicles, rail flaw detection vehicles, rail grinding vehicles, integrated operation vehicles, and comprehensive inspection vehicles, and built a professional vehicle and system platform capable of fast detection, efficient operation and multiple functions. Its products have been widely applied in rail engineering machinery for railway and urban rail transit industries
12	Railway engineering machinery technology	Basic railway engineering machinery technology	With a focus on professional technical areas such as structural strength, vibration and noise reduction, industrial modeling, and new material application, the Company has applied strength and fatigue simulation analysis technology to enable the optimal design of key system components such as vehicle body, frame, bogie and brake; completed the research on sound insulation and noise reduction technology, shock absorption technology and lightweight technology, and realised the coordinated integration of spatial innovation and structural modeling, the unified assembly of vehicle body, floor and driver's desk, and the integration and standardisation of electromechanical and hydraulic components, thus improving the modular design of vehicle systems
13	Railway engineering machinery technology	Power transmission technology for rail engineering machinery	The Company has developed such power transmission technologies as internal combustion drive, electric drive and hybrid drive. The internal combustion drive, electric drive and hybrid power system products developed by the Company have been widely applied in railway dual-power grinding vehicles, metro dual-power grinding vehicles, heavy railway vehicles, tractors, catenary vehicles and other rail engineering machinery

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
14	Railway engineering machinery technology	Railway engineering machinery operation and control technology	The Company has developed control technology for line tamping and stable screening, rail flaw detection technology, rail grinding control technology, high-precision railway geometric parameter measurement technology, rail laser alignment technology, spike identification and positioning technology, intelligent catenary inspection technology, and comprehensive line inspection technology, and built a distributed digital network control platform for large road maintenance machinery
15	Power semiconductor technology	IGBT chip technology	Through in-depth research on IGBT chip cell technology, terminal technology and back technology, the Company has developed a high-voltage planar gate IGBT chip technology system characterised by U-shaped groove and soft punch-through and a low-voltage trench gate IGBT technology system underpinned by two generations of technologies – “groove + soft through” and “fine groove”, built a professional 8-inch IGBT chip manufacturing platform with a full set of distinctive advanced technologies covering buffer layer, ultra-thin film, high-reliability semi-insulating passivation film, and global and local life control, and fully mastered the technologies for the design and manufacturing of high-voltage and low-voltage IGBT and FRD chips with independent intellectual property rights. Its full range of chip products are widely used in the rail transit, power grid and new energy fields
16	Power semiconductor technology	Silicon carbide chip technology	The Company has developed such key process technologies as high-reliability and low-interface defect gate oxynitridation, low-damage and high-aspect-ratio trench etching, submicron lithography, high-temperature selective ion implantation, and high temperature activation annealing, and power chip architecture design technologies such as active region gate oxygen electric field shielding, JFET region doping, carrier expansion, and high-reliability, high-efficiency space electric field modulation field ring terminal design, mastered the technologies for the design and manufacturing of MOSFET and SBD chips with core independent intellectual property rights, and built a professional silicon carbide chip manufacturing platform with a full set of advanced silicon carbide technologies for 6-inch chips. Its full-voltage MOSFET and SBD chip products can be used in new energy vehicle, rail transit, photovoltaic power generation, industrial transmission and other fields

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
17	Power semiconductor technology	Advanced packaging and component technology	The Company has developed such design technologies as multi-chip parallel current sharing design technology, efficient thermal management technology, and multi-physical field coupling simulation technology, built advanced packaging capabilities including large-area welding, copper terminal ultrasonic bonding, sintering, DTS, wire bonding and interface strengthening, established a complete set of standards for assessment of materials such as ceramic liners, and developed 750V-6,500V IGBT devices and 750V-3,300V SiC devices. Relevant products are widely used in the fields of locomotives, bullet trains, urban rail, flexible power transmission, mining frequency conversion, wind power, photovoltaic power, and high-end industrial equipment
18	Power semiconductor technology	Reliability technology	Through the research on reliability technology for power semiconductor devices including service life modeling, multi-stress test simulation design and accelerated testing, the Company has built a reliability assessment technology system for power semiconductor devices covering IGBT, SiC and bipolar devices across a full range of voltages. The technology system includes: reliability simulation modeling and reliability test design technology based on single physics and multiphysics, reliability assessment technology for new packaging structures and materials such as double-sided welding, crimping and integrated packaging, application life assessment technology of multi-dimensional stress (electricity, heat, machine and humidity), and failure analysis technology system based on key performance testing technology and micro-interface sample preparation and characterisation technology
19	Communication signal technology	Main line railway signal system technology	The Company has developed automatic train operation technology, safety computer technology, on-board database technology, communication technology, fault diagnosis and warning technology and information system technology for main line railway. Such technologies have been successfully applied to many projects including main line railway LKJ2000 monitoring device, LKJ-15 monitoring system, ETCS train control system, vehicle-ground wireless transmission, etc.
20	Communication signal technology	Urban rail transit signal system technology	The Company has developed such professional technologies as signal integration technology, automatic train operation technology, interlocking technology, communication technology, health management technology, and fault diagnosis and warning technology for urban rail transit signal system, as well as ATP/ATO technology for urban rail transit signal system, mastered a full set of independent urban rail signal system technology, which has been successfully applied to signal engineering projects such as Changsha Metro, Foshan Metro and Wuxi Metro

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
21	Communication signal technology	High-speed maglev train operation control system technology	The Company has developed long-distance, multi-zone, multi-power supply mode, complex safety system design and integration and other key technologies, and established a technology development platform for high-speed maglev signal system covering safety control model, vehicle-ground wireless communication, simulation and multi-system cooperative control
22	Data and intelligent application technology	Data processing technology	For the data intelligent application fields of rail transit, clean energy and other industries, the Company collects, parses, stores, processes, classifies, merges, sorts, converts, analyzes and retrieves the data of core products produced by the Company and other third-party system data in the industry, and eventually provides data services for the upper application system. The development of data platform products has been completed. Based on big data technology, the Company has carried out in-depth research on key technologies such as data integration, data governance, data processing, data storage, data sharing and data statistical analysis, and delivered more than 50 sets of data platform products in the fields of rail transit and clean energy
23	Data and intelligent application technology	On-board PHM technology	The Company has developed key technologies for fault diagnosis of capacitors, contactors, reactors, charge/discharge resistance, various sensors and cooling fans based on online parameter identification and big data analysis, and pioneered methods for fault diagnosis of traction motor bearings, stator insulation and couplings based on the existing control signals of converters in the industry. Such technologies and methods have been applied to the state perception, fault diagnosis and warning, state evaluation and health management of urban rail traction system, providing strong support for the condition-based repair of traction systems
24	Data and intelligent application technology	Autonomous driving technology	The Company has developed such key technologies as optimal operation planning with multi-objective constraints, precise follow-up control, smooth operation of heavy-haul trains, full-scene operational control of freight trains, simulation of heavy-haul train operation environment, and autonomous driving system integration, established a safe, stable, punctual and energy-efficient automatic driving technology system, and formed a locomotive automatic driving product platform covering electric power to internal combustion, general load to heavy load, freight to passenger transport, and main line to station. As of now, the platform has been applied in vehicles by a number of railway companies including CR Xi'an, CR Taiyuan, CR Guangzhou, Baoshen Railway and Jingshen Railway, and has reached a normal operating state with a cumulative safe operation mileage of more than 3.30 million kilometers

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
25	Data and intelligent application technology	Intelligent sensing technology	The Company has developed such key technologies as high-performance edge computing platform technology, radar sensing technology, visual sensing technology and multi-sensor fusion, and built an intelligent sensing application platform for multiple fields and all working conditions. The technologies have been widely applied in the fields of obstacle detection, driver behavior recognition, pantograph catenary condition monitoring, vehicle maintenance safety monitoring, unmanned mining trucks, and intelligent train driving
26	Data and intelligent application technology	Data and application security technology	The Company has developed system security technologies based on data encryption and decryption, software reliability protection and device access verification, completed the research on application technologies in terms of data storage security, transmission channel security, system platform security and application software security, realised such core functions as the encrypted storage of on-board core data, the safe vehicle-ground data transmission, the identity authentication and access control of ground application system, and database security, and built a defense security system covering data encryption, access control, security isolation, audit tracking, software protection, safety management etc. Such technologies have been widely applied to operation and maintenance-related products and passed a security risk assessment, greatly improving the security of operation and maintenance products
27	Traction power supply technology	Traction power supply converter technology	The Company has developed key technologies of AC/DC traction power supply converter system such as modularisation and miniaturisation, adaptability to all environments, high frequency and high efficiency, and resistance to lightning strikes and short-circuit currents, realised power supply and scheduling and power quality control and improvement for AC/DC traction power supply system, and built a technical system for power electronisation of traction power supply system. The technologies have been widely applied to the rectifier, energy feedback and bidirectional converter fields regarding DC traction power supply system, as well as the in-phase power supply, power quality governance and other related fields regarding AC traction power supply system
28	Traction power supply technology	Traction power supply control technology	The Company has developed such key technologies of traction converters as traction network voltage self-adaptation, switching frequency self-adjustment, efficiency and reliability optimisation, and system monitoring and coordinated protection, and realised such functions as distributed dynamic reactive power compensation, imbalance suppression, low-order harmonic compensation, regenerative energy storage, transfer and utilisation, full-automatic phase separation, in-phase power supply, etc.

Section III Management Discussion and Analysis

No.	Core technologies		Overview, advancedness and characteristics of technology
29	Inspection and testing technology	Traction and control testing technology	The Company has developed such technologies for rail transit traction system as ground joint debugging technology, high-power and high-frequency isolation testing technology, low-frequency power supply testing technology, and low-speed motor efficiency testing technology, built a traction and control testing platform covering rail transit, new energy and industrial converters, and established capabilities in vehicle ground simulation testing, power grid adaptability testing, field environment simulation testing, etc.
30	Inspection and testing technology	Electromagnetic compatibility (EMC) test technology	The Company has built a test verification system for electronic and electrical products covering anti-electromagnetic radiation interference, anti-static interference, and anti-surge and burst interference, and the on-site EMC test platform which meets the needs of quantitative testing of the electromagnetic radiation levels inside and outside of vehicles and the track interference current on rail lines in operation, realises the unification of the test environment and the application environment, and further improves the EMC performance of rail transit electrical equipment such as converter, network and power supply equipment
31	Inspection and testing technology	Reliability test technology	The Company has developed a test platform based on HALT & HASS, material screening and verification, accelerated life test, and field test and analysis, and formed a reliability test standard system, which meets the needs of product fault excitation, on-site fault recurrence, weak link identification, product indicator verification, and product measurement profile acquisition, and represents the Company's core competitiveness in the fields of material control and selection, product indicator verification, on-site troubleshooting, and product design defect identification
32	Inspection and testing technology	Network and communication test technology	The Company has comprehensive train Ethernet and on-board bus testing capabilities, covering physical layer, link layer and application layer, and provides inspection services for the industry. In terms of Ethernet, the Company has overcome the difficulties in protocol conformance testing of TTDP/TRDP, a train proprietary Ethernet protocol, independently designed standardised TTDP/TRDP network source, and built a comprehensive proprietary Ethernet protocol conformance testing platform. The Company designs field train test solutions which are widely used in the testing of network products for standard EMUs and urban rail lines, and strives to improve the quality of network communication and ensure the smooth operation of trains in the industry

Section III Management Discussion and Analysis

No.	Core technologies	Overview, advancedness and characteristics of technology
33	Deep-sea robotic technology	The Company has developed the underwater robot electric propulsion technology, underwater remote high-voltage DC power transmission and distribution technology, heavy-duty working robot integration technology and high-power safe and efficient deployment and recovery technology, realized the sea trial and batch delivery of underwater remote-controlled working robots and underwater trenching and cable laying robots, successfully served in deep-sea scientific research, combustible ice drilling, submarine cable laying, offshore wind power submarine cable construction, dam maintenance and other major fields, established a leading position in China, and gradually progressed towards in-depth research of component technology from the whole machine, aiming at further leadership in electrification and intelligence
34	New energy vehicle electric drive system technology	The Company has developed integrated design technologies for high-power DC/DC bidirectional converters, chargers, on-board battery chargers, generators and motor inverter units, established small, medium and high-power platforms for battery electric passenger cars and hybrid passenger cars, and built a technology development system covering single electric control, single motor, all-in-one drive and dual electric control. Its products have been widely applied in various models in the electric/hybrid power passenger car fields
35	Sensor technology	With the technical characteristics of “intelligence, miniaturisation and high reliability”, the Company has created sensors and measuring devices with higher intelligence, higher integration, higher reliability, and higher consistency in mass production, developed such key testing technologies as independent sensor chip, multi-physical quantity fusion sensing, wireless passive sensing, digital electric quantity, intelligent displacement, etc., developed a new generation of electric quantity, speed, pressure, temperature, acceleration and displacement sensors, and realized the transformation from the development of sensor components to the provision of sensor measurement system solutions. Products are applied to rail transit, industrial photovoltaic, wind power, energy storage, charging and new energy vehicles in batches

Section III Management Discussion and Analysis

National science and technology awards

✓ Applicable ☐ Not Applicable

Award Name	Year of Award	Item	Award Level
National Science and Technology Progress Award	2010	Research, Development, Popularisation and Application of Ultra-high Power Electronic Device Technology	Second Prize
National Science and Technology Progress Award	2014	Research, Development and Application of Serialised High-power AC Drive Electric Locomotives Based on an Independent Technology Platform	Second Prize
National Science and Technology Progress Award	2018	A Complete Set of Technology and Equipment for Operation Safety Assurance of High-speed Railway Pantograph-Catenary System	Second Prize
National Technology Invention Award	2015	Key Technology and Application of Traction Control for High-speed and Heavy-haul Trains	Second Prize
National Technology Invention Award	2019	Key Technology and Application of High Voltage and High Current IGBT Chips	Second Prize
National Technology Invention Award	2023	High Voltage and Large Capacity DC Interrupting Semiconductor Devices, Key Technologies and Systematic DC Circuit Breakers	Second Prize

Accreditation of specialised and new “Little Giant” enterprises and manufacturing “Individual Champions”

✓ Applicable ☐ Not Applicable

Accredited to	Accredited Title	Year of Accreditation	Product Name
Ningbo CRRC Times Transducer Technology Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2021	Not applicable
Zhuzhou National Engineering Research Centre of Converters Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2021	Not applicable
Hunan CRRC Times Signal & Communication Co., Ltd.	Individual Champions Product	2021	LKJ device
Zhuzhou Times Electronics Technology Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2023	Not applicable
Zhuzhou National Engineering Research Centre of Converters Co., Ltd.	Individual Champions Product	2023	Electric drive system for off-highway mining vehicles
Ningbo CRRC Times Transducer Technology Co., Ltd.	Individual Champions Product	2023	Sensor for rail transit control

Section III Management Discussion and Analysis

2. R&D Achievements During the Reporting Period

During the reporting period, the Company adhered to the key note of high-quality development to foster new quality productive forces according to local conditions, strengthen the leading role of technological innovation, and promote industrial innovation through technological innovation.

During the first half of 2024, in the rail transit segment, the Company completed the development and production of key traction network system of CR450 EMUs with technical indicators reaching the international leading level, building up reputation of high-speed railways as a national business card based on the consolidated technological leadership; completed the installation and commissioning of matching and control technology unit of permanent magnet traction system for Fuxing locomotive, which achieved coordinated and deep optimization of system efficiency, back electromotive force and switch parameters; supplied to State Railway's hybrid locomotives and off-rail new energy locomotives, which realised the combination and application of multiple power sources including internal electric, pure battery, electric-to-battery and hydrogen-to-electric sources, further expanding the application scenarios of hybrid traction systems; for locomotive autonomous driving, developed the coupler fatigue calculation and analysis technology, optimised the traction force control method for long uphill slopes, and completed the 20,000-ton autonomous driving rail test on the Shuohuang West Railway; for active collision avoidance, developed the high-precision mapping and positioning technology and the track clearance detection algorithm for trains in operation, and successfully obtained the CNAS SIL4 independent safety assessment certificate for autonomous perception system of high-safety trains; for PHM technology, introduced a fault early warning technology for auxiliary transformer filter capacitors and lightning arresters, and established a graded PHM early warning model for urban rail traction, which was deployed and issued alerts successfully in Guangzhou for the first time; put the active traction power supply system for urban rail into operation on Wuxi Metro Line S1, thus completing a milestone in the intergenerational upgrade of the power supply industry; completed the verification of field fully automatic function and integrated control function for Ningbo Metro Line 8, which became the first metro line adopting full electronic interlocking that meets wide engineering commissioning conditions on main line in terms of function and performance of the fully automatic operation system; and completed onsite single-locomotive authorization and multi-locomotive commissioning for renovation of Changsha Metro Line 2, establishing a method for our subsequent "seamless CBTC replacement" suitable for renovation of urban rail transit signal systems. We continued to enhance engineering capabilities and improve the line control platform for unmanned mining trucks, and achieved mixed operation of mining trucks at Shenyang Xiwan Mine with regular safety supervisor disembarkation.

Regarding new industries, the Company made breakthroughs in anti-cosmic ray technology research for 4,500V pressure-bonded products, which reached the international advanced level; developed the large-area sintering technology, and completed 1,200V vehicle-class L5 plastic encapsulated SiC modules with key indicators reaching the international mainstream level. Keeping abreast of the new energy sector, the Company set forth a plan for upgrade and application of three-level topology and industrial-class IGBT devices in rail transit, tapped into the matching design for system application boundaries and device capabilities, and developed a high-performance, low-cost permanent magnet traction system that covers all metro locomotive models; achieved wide application of 225kW and 320kW string photovoltaic inverters, expanded our energy storage outdoor converters to 1,725kW, 1,575kW, 1,375kW, 1,250kW, 2,500kW, 2,750kW, 3,150kW and 3,400kW power levels, with key performance indicators reaching the industry leading levels; and completed the development of offshore floating 20MW full-power wind power converters. Moreover, the Company developed its first P1+P3 architecture hybrid assembly product, and completed the development of dual-system deep integration, efficient thermal management and other technologies; achieved demonstration application at mines for the electric drive system of 120t hydrogen hybrid mining vehicles; made key technology breakthroughs in the robot and tool system for dam maintenance, and completed the demonstration verification process; and supported the successful trial voyage of a new satellite survey ship equipped with our self-developed 10MW medium-voltage inverter.

Section III Management Discussion and Analysis

With a focus on its core technologies and main products, the Company adhered to and actively planned for intellectual property efforts to enhance its influence in the industry. In the first half of 2024, the Company was granted 142 new patents, including 3 patents in Europe, the United States and Japan, bringing the total number of valid patents granted to the Company to 3,540, of which over 60% are invention patents. We took the lead or participated in the drafting of stage files for three international standards and the submission of four national and industry standards for approval in transportation and energy sectors, leading to our consolidated industry position.

List of intellectual property rights obtained during the reporting period

	Increase in the period		Cumulative number	
	Number of applications	Number of approvals	Number of applications	Number of approvals
Invention patent	95	93	4,956	2,215
Utility model patent	21	46	1,892	1,200
Appearance design patent	2	3	260	125
Software copyright	6	6	384	384
Others	—	—	—	—
Total	<u>124</u>	<u>148</u>	<u>7,492</u>	<u>3,924</u>

Section III Management Discussion and Analysis

3. R&D Investment

Unit: Yuan

	Current period	Corresponding period of last year	Change (%)
Expensed R&D expenditure	944,888,068	809,725,754	16.69
Capitalised R&D expenditure	28,905,627	44,852,017	-35.55
Total R&D expenditure	973,793,695	854,577,771	13.95
Percentage of total R&D expenditure in revenue (%)	9.47	9.97	Decreased by 0.50 percentage points
Percentage of capitalised R&D expenditure (%)	2.97	5.25	Decreased by 2.28 percentage points

Reason for significant changes in total R&D investment over the previous year

☐ Applicable ☒ Not Applicable

Reasons for significant changes in the proportion of capitalised R&D expenditure and explanation of rationality

☐ Applicable ☒ Not Applicable

Section III Management Discussion and Analysis

4. Projects under Development

✓ Applicable ☐ Not Applicable

Unit: RMBO'000

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
1	Development of Electrical System for CR450 EMU	3,037	629	1,627	Organised and promoted development of CR450 high-speed EMU prototype, to build up reputation of high-speed railways as a national business card based on the consolidated technological leadership; completed product development and prototype production of auxiliary traction converter, charger, network control system, safety monitoring system and external power box, with technical indicators reaching the international leading level.	To complete prototype development and ground tests of components including traction converter, network control system, charger, safety monitoring and data centre, and meet requirements of the CR450 major technological project.	Building the next-generation high-speed EMU traction converter and network control system platform, and making key technology breakthroughs in new power devices, elimination of secondary resonance, and TSN, with product technical indicators reaching the international leading level.	Rail transit electrical equipment

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
2	Technical Research and Product Development of Traction Electric Drive System for Fuxing Locomotive	1,836	309	1,126	<ol style="list-style-type: none"> Completed development and installation of traction converter based on the 4th generation high-power density IGBT, with an increase of over 20% in power density; Completed the development of active grid-side harmonic suppression algorithm at high switching frequency, and achieved dynamic switching frequency regulation in a given frequency range; Completed the development and optimization of permanent magnet direct drive and non-direct drive position-less control algorithms; Conducted research on operation reliability of isolation contactors, and completed full-speed and full-power range breaking verification to improve reliability of system application. 	To complete application research and platform planning of new power components in locomotives; complete development of integrated auxiliary traction converter and new network control system, as well as ground test verification.	Focusing on the technical development direction towards "miniaturised, lightweight, efficient and intelligent" of Fuxing locomotive and its application scenarios to carry out research on new power devices based auxiliary traction converter system and new network control system, and develop the completely independent auxiliary traction system and network control system products for next-generation heavy-haul electric locomotives with leading technical indicators.	Rail transit electrical equipment

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
3	Development of Electric Traction System for the Bogota Metro Project	691	100	426	<ol style="list-style-type: none"> 1. Completed prototype trial production of traction, auxiliary and network systems as well as type tests of components; successfully passed the initial inspection; and reached the deliverable state for products; 2. Realised lightweight design for traction and auxiliary converters that meet indicator requirements as agreed; 3. Completed optimised noise reduction design of system components as well as noise tests of key components including individual components and traction motor, and achieved the international leading level of noise reduction. 	To complete development of electric traction system and components and ensure delivery on time. To conduct purpose-designed noise reduction research on traction inverter, auxiliary converter, braking resistor, traction motor and relevant equipment and devices for meeting requirements of the project's acoustic control specifications. To newly develop three-level auxiliary converter products at power frequency for enriching our product spectrum.	Achieving product integration and lightweight design, developing and implementing various noise reduction measures, with product performance indicators reaching the international advanced level.	Rail transit electrical equipment

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
4	Key Technologies and Product Development of String Photovoltaic Inverters	1,013	133	685	<ol style="list-style-type: none"> 1. Based on the 1,500V string photovoltaic inverter platform, the Company made key breakthroughs in high-power string technology, and completed the development of 225kW and 320kW models with performance parameters meeting indicator requirements, which have been delivered in bulk for operation; 2. Conducted research on intelligent arcing detection algorithm and active AC/DC breaking technology to achieve active system safety; 3. Conducted research on light-current network connection control technology, etc., and realised stable power output of light-current network; Conducted research on the DPWM low-loss modulation method to comprehensively reduce temperature rise in cabinet and modules; 4. Carried out refined heat dissipation research to improve product performance and reliability. 	To make key breakthroughs in high-power string technology, develop 320kW string inverters, and commercialise product applications.	Establishing our 1,500V string inverter technology platform under a string inverter technology system. Securing industry leadership of our developed photovoltaic products in term of performance and power density.	Industrial converter products for photovoltaics

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
5	Development of Centralised 1+X Modular Inverter	768	181	757	<ol style="list-style-type: none"> 1. Completed mass production of modular inverters and the releasing of multiple configuration drawings; 2. Completed energy standard / national standard certification, SCR certification, and CEPRI high- and low-voltage ride through tests for modular inverters, with SCR performance and maximum conversion efficiency reaching industry-leading levels; 3. Completed the development and application of the project APP, which meets requirements of commercial operation. 	To develop a centralised 1+X modular inverter which meets the requirements on Class A inverter in NB/T32004-2018 Technical Specifications for Grid-connected Inverters in Photovoltaic Power Generation and GB/T37408-2019 Technical Requirements for Grid-connected Inverters in Photovoltaic Power Generation, which is composed of 1+X independent 1,100KW modular inverters meeting the standard requirements and connected in parallel at the low voltage side of the back-end step-up transformer of the inverter to satisfy the requirements of mass production and commercial operation.	Through direct parallel connection of 1+X modular inverters, it can meet the requirements of 1.1MW – 4.4MW solar array, 1.15 times output overload and the highest conversion efficiency of not less than 99% in photovoltaic power stations, reaching the advanced level in the industry.	Industrial converter products for photovoltaics

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
6	Development of IGBT Power Supply Unit for High-power Green Electricity-based Hydrogen Production	1,627	347	1292	<ol style="list-style-type: none"> 1. Published the Technical Specifications for Hydrogen Production Power Supply Units on IGBT-based Water Electrolysis, a group standard which is the industry's first standard for such products; 2. Established a product platform for IGBT hydrogen production power supply units with a capacity of 1,000 standard cubic metres or less; 3. Completed onsite operation of hydrogen production power supply units in Xinjiang, Inner Mongolia, Hunan and Guangdong, which are in safe operation with alkaline and PEM electrolytic cells; 4. Established a complete standard system covering technology, testing, integration, acceptance inspection and operation of hydrogen production power supply units. 	To develop a plan for IGBT hydrogen production power supply units below 1,000 standard cubic metres combining various requirements on safety, reliability, efficiency and economics of hydrogen production power supply products, which are suitable for new energy-based flexible hydrogen production systems using alkaline water, PEM and other types of electrolytic cells.	Improving the IGBT hydrogen production power supply platform spectrum, and building up a complete standard system covering technology, testing, construction and supervision, integration, acceptance inspection and operation of hydrogen production power supply units, with product performance indicators reaching the international leading level.	Industrial converter products for hydrogen production

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
7	Development of Train Autonomous Operation Control System Based on Vehicle-to-Vehicle Communication and Autonomous Perception	4,310	1,001	2,444	<ol style="list-style-type: none"> 1. Obtained safety certificates for key components covering integrated control, perception and ATO, which meet the conditions for engineering application; 2. Completed the construction of a full-scenario laboratory featuring the cutting-edge urban rail signal technologies and products in the industry; 3. Completed the scheme review by external experts in Ningbo, Changsha, etc., which is highly recognised and lays a solid foundation for real vehicle verification on field lines. 	To complete the development of innovative train operation control system with integrated perception, network, communication and signal functions in accordance with the requirements on CMTCS3/4 level in the "Train Operation Control System in Urban Rail Transit – General Principles" issued by China Association of Metros, as well as the requirements on "safer, more convenient, more efficient, greener and more economical" train operation control system set forth in CRRC's "System+" strategy.	The train autonomous operation control system based on vehicle-to-vehicle communication and autonomous perception can meet GoA4 automation requirements and is backward compatible with GoA0-3 requirements. It supports all operation scenarios of fully automated operation system, covers traditional FAO/CBTC functions, and supports interconnection. The system can enhance train's perception of operating environment, improve the integration of multiple systems, reinforce the backup mode, and achieves significant improvements in key indicators such as efficiency, economics and safety. It can significantly improve availability of the system's main mode, enhance operational efficiency in degraded mode, and support flexible operational organization.	Communication signal systems

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
8	Research and Application of Key Technologies in Fully Automatic Operation Signal System	927	122	527	<ol style="list-style-type: none"> 1. Completed factory verification of FAO level software by the project owner on a field line in Ningbo as well as CI/ATS/ATP product certification, and completed the development of main line interlocking level software; 2. Solved the challenge of jump tests at different distances, and completed special jump tests under FAM and CAM modes; 3. Developed software for testing at any location and distance, which enables precise capture of jumps, real-time parameter collection, and parameter optimization; 4. Completed tests and verification of the fully automatic operation system on a field line in Ningbo, and successfully completed onsite test and acceptance inspection by the project owner. 	To develop a fully automatic operation signal system (FAO) suitable for urban rail transit according to project requirements and relevant industry technical standards. Adopting active obstacle detection system to improve system safety, it can reduce operation and maintenance costs through deep integration with a big data platform, and realise energy-saving operation through integrated control.	<ol style="list-style-type: none"> 1. Deepening technology research on fully automatic operation signal system for urban rail transit; 2. Upgrading intelligent level of urban rail transit, and achieving the first application of our fully electronic interlocking system in the fully automatic operation system of urban rail transit; 3. Achieving the first application of active obstacle monitoring system in urban rail transit, to improve system availability and safety; 4. Improving the system's fault self-healing ability and fault recovery ability, to further enhance system availability and minimise the impact of system faults. 	Communication signal systems

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
9	Development of Dual-Power Source Electric Drive Engineering Vehicles for Xi'an Metro	1,306	194	783	<ol style="list-style-type: none"> Completed vehicle trial production, commissioning and ex-factory acceptance inspection by user for dual-power source rail flaw detection vehicles and comprehensive inspection vehicles, which are in the completion check and acceptance stage after delivered to the user's site; Completed production and commissioning of dual-power source rail grinding vehicles and dual-power source comprehensive inspection vehicles for Xi'an Metro Line 15, which will be delivered to the site after the user inspection process. 	To complete the development of domestic first electric drive rail grinding vehicle, rail flaw detection vehicle and comprehensive inspection vehicle using "catenary + battery" dual-power sources based on the bid-winning project for Xi'an Metro, promote the application of clean energy and electric drive in urban rail engineering vehicles, and leverage the strengths in vehicle models and technologies to secure market leadership.	<ol style="list-style-type: none"> The urban rail grinding vehicle, rail flaw detection vehicle and comprehensive inspection vehicle employ "catenary + battery" power sources, characterised by clean energy, zero emissions, no pollution and low noise. The indoor noise level is less than 76dB(A). The rail grinding vehicle can increase grinding efficiency while reducing operation and maintenance costs, and is an innovative product with industry-leading technical performance. The urban rail flaw detection vehicle and the comprehensive inspection vehicle are designed based on the same platform, characterised by coupling function, high operational efficiency and low operation and maintenance costs, and are innovative products with industry-leading technical performance. 	Railway engineering machinery

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
10	Research and Application of Key Devices and Energy Management Technologies for Flexibly Interconnected Cophase Power Supply for Railways at Municipality Level	870	151	151	<ol style="list-style-type: none"> 1. Completed technical requirement analysis of flexibly interconnected cophase power supply system for railways at municipality level; and completed system simulation as well as system technical scheme design and review; 2. Discussed technical scheme with the project owner, started the development of equipment, and completed scheme design of cophase power supply devices and energy dispatching devices for substations. 	To develop a flexibly interconnected cophase power supply system suitable for railways at municipality level. It aims to establish a full-line cophase interconnected power supply mode through internal cophase power supply within a traction substation and flexibly interconnected power supply across substations, thus realising flexible interconnection of power supply arms featuring whole-line cophase, elimination of power unavailable sections and relative independence across substations. It can solve the challenges in electric phase separation, power quality and cross-section direct utilization of renewable energy, ensure flexible and controllable whole-line power supply as well as smooth segmentation of trains free of shocks and over-current, and improve comprehensive energy efficiency and safe and economic performance of the traction power supply system. By building a safer, more reliable, efficient, economical, green and low-carbon flexible traction power supply system, we will provide complete sets of technology and equipment to support higher-level green ecological railway construction.	Based on the innovative solution featuring "Cophase power supply across substations + Energy dispatching in sectional substations + Whole-line energy management platform", the Company can provide industry-leading power supply system solutions for railways at municipality level, and provide engineering scenario support for wide application of cophase power supply and energy dispatching devices.	Rail transit electrical equipment

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
11	Research and Application of Multi-source Integrated Energy System Technology in Rail Transit	646	172	172	<ol style="list-style-type: none"> Completed the development of 3-10MW multi-source integrated energy dispatching devices, and grasped the architecture design method for coordinated power supply system; Completed the development of DC/DC converters for energy storage devices connected to railway power supply system. Developed equipment/system integration and coordinated control protection technologies, as well as charging, discharging, energy dispatching and management technologies for large-capacity energy storage system. 	Focusing on demonstration application of the "grid – source – storage – vehicle" coordinated power supply system, to develop high-efficiency energy dispatching devices suitable for different application scenarios as well as feed-in equipment connecting new energy to power supply system in rail transit, build up standardised and universal converter products for power supply to new generation railways, and establish complete sets of coordinated power supply technology, equipment and standards for electrified railways.	<ol style="list-style-type: none"> Developing the first 27.5kV large-capacity single-phase grid-connected bidirectional converter to support new energy feed-in of photovoltaic/energy storage systems. Introducing a large-capacity full-power energy router system solution for railways; Establishing system integration and solution capabilities in multi-source integrated system, and building up an integrated simulation model and a common energy management platform for multi-source integrated energy system; Reaching the international leading level in terms of system integration and equipment capabilities. 	Rail transit electrical equipment

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
12	Development of Electrical System for 200km/h Power Centralised EMU	2,196	596	596	<ol style="list-style-type: none"> Completed the development and installation of converters, and solved the challenges in developing miniaturised and lightweight products with an improvement of 20%; Completed the development and application of passenger EMU integrated network control system for power centralised EMUs for the first time, which adopts a separate architecture for control and monitoring networks where the control network is based on full-Ethernet communication to improve control reliability; Completed the development and installation of large screen human-computer interaction system featuring a brand new UI design, display of key scenes in lockstep, and better operational convenience and intelligence; Completed the commissioning of products and type tests, with overall performance meeting the requirements and all technical targets achieved. 	To complete prototype development and ground tests of components including traction converter, network control system and train power supply and distribution cabinet, and meet technical requirements on 200km/h power centralised EMUs.	Developing an integrated converter for main and auxiliary power supply, equipped with a high-frequency auxiliary and train power supply system; and developing an integrated full-Ethernet vehicle control and intelligent monitor network control system platform for passenger EMUs, with product technical indicators reaching the international leading level.	Rail transit electrical equipment

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
13	In-depth Research on Autonomous Driving Technology for Large-scale Application and New Complex Scenarios	1,007	323	323	<ol style="list-style-type: none"> 1. For universality of autonomous driving system, the Company completed the review of complex and difficult application scenarios of locomotive autonomous driving for freight trains and heavy-haul trains; and for universality tests, developed preliminarily design and completed the review of standard line and scenario sets for locomotive autonomous driving; 2. For new autonomous driving applications based on virtual formation, completed review of the system technical scheme (including application scenarios), the technical scheme for coordinated control of train groups and the technical scheme for simulation system. 	<ol style="list-style-type: none"> 1. To conduct in-depth research on the impact of complex and mixed scenario on autonomous driving control strategies and control boundaries, and develop a set of autonomous driving software with strong adaptability, high universality, and decoupling of variables and control. To enhance the adaptability of general-load autonomous driving to cross-line and cross-intersection applications, and the responsiveness of heavy-haul autonomous driving to complex and mixed scenarios. 2. For new autonomous driving applications based on virtual formation, to conduct research on key autonomous driving technologies including virtual formation application scenarios and coordinated control of train groups, and establish an autonomous driving simulation system that meets the requirements of virtual formation to support the extension of autonomous driving to virtual formation scenarios. 	<ol style="list-style-type: none"> 1. Improving autonomous driving adaptability of freight trains. Supporting the system to run safely and reliably in complex and mixed scenarios; building a set of test scenarios for ordinary freight trains and heavy-haul freight trains for the first time; and quickly adapting to large-scale application tests of products, to maintain competitive strengths of our existing products as a leader in locomotive autonomous driving; 2. Establishing a locomotive autonomous driving system under an innovative train control system based on virtual formation for the first time, and developing a ground simulation test system for virtual train formation to extend the application of our locomotive autonomous driving products to virtual formation application scenarios. 	Rail transit electrical equipment

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
14	Research and Application of Image Data Generation Technology in Rail Transit	625	307	307	<ol style="list-style-type: none"> Completed the establishment of data evaluation standards and the development of image evaluation algorithm, and developed a toolkit integrated with multiple evaluation methods. Established two simulation models, and constructed scenes for main line operation, etc.; completed the development of 3D scene reconstruction algorithm, realised separation of image foreground and background, and completed preliminary verification. Completed the design of cross-modal data fusion scheme as well as the development and tests of some algorithms. Established an automatic annotation model that supports multiple prompts and automatic batch annotation of massive data, while the client-end software also supports interactive automatic annotation. 	Against challenges in rail transit including limited coverage of long-tail scenarios and high costs of data closed-loop, the Company will conduct research on algorithms covering neural rendering engine, multimodal generation and domain adaptive transfer to solve key issues including lack of long-tail scenario data and insufficient negative sample data in image applications, while establishing dataset quality evaluation indicators and methods for quantitative quality evaluation of the generated data to ensure data effectiveness.	<ol style="list-style-type: none"> The proposed quality evaluation scheme based on visual and radar datasets fills the gap in the industry in terms of comprehensive evaluation of multi-source data, and provides new standards and guidance for production of dataset. Introducing simulation scenario data generation technology to the rail transit sector, to solve the difficulties in data acquisition and reduce costs and risks of data collection. Employing cross-modal data generation technology to solve image and point cloud data issues in long-tail scenario, which effectively improves data reliability and recognition ability of models, providing strong technical support to practical application of intelligent products. 	Rail transit electrical equipment

Section III Management Discussion and Analysis

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
15	Development of 1,200V SiC Trench-gate MOSFET Chips with Low Specific On-resistance	2,300	614	614	<ol style="list-style-type: none"> Completed the design of structure and process schemes, started the first round of tape-out verification, optimised key process technologies, met expectations, and verified the manufacturability; Based on the chips from the first round of tape-out, completed module packaging and conducted dynamic, static and robustness evaluation of chips to verify the feasibility of chip technology roadmap. 	To develop a complete set of key trench-gate technologies, and complete the development of 1,200V SiC trench-gate MOSFET chip samples with low specific on-resistance.	Developing low specific on-resistance trench-gate MOSFET chip technology to reach the international fourth generation level and enhance the Company's core competitiveness in the SiC semiconductor sector.	Power semiconductor devices
16	Development of High-efficiency and High-current ST MOS IGBT Chips	1,066	246	246	<ol style="list-style-type: none"> Completed technical scheme and simulation design; Started trial production of the first product 	Targeting to meet customer needs, the project aims to develop high-performance 750V IGBT chip technology through a series of key technology breakthroughs in IGBT chips.	Compared to our previous generation of ST MOS products, the chip technology under this project has significantly improved performance and reliability, marking a leap forward in our IGBT technology.	Power semiconductor devices

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
17	Key Technology Research and Product Development of Current Sensors for String Photovoltaic Inverter System	579	173	173	<ol style="list-style-type: none"> Completed trial production and baseline test of wide-range, single-chip and open-loop sensor prototype; the test results meet technical specifications (on accuracy, temperature rise, bandwidth, etc.); Completed client-end individual test of strong anti-interference closed-loop Hall current sensors, which are in progress of installation and testing. 	To meet customer needs for high current detection on the DC side, application amid strong magnetic field interference on the AC side, and low zero-bias leakage detection in inverter system, the Company is developing two open-loop Hall current sensors, one strong anti-interference closed-loop Hall current sensor, and one fluxgate leakage current sensor, with product performance meeting the requirements.	Realising full coverage of current sensor solutions for string photovoltaic system, with key product indicators outperforming the industry standards.	Photovoltaic inverter sensors
18	Development of Current Sensor for Electric Control System of New Energy Vehicles	609	158	158	<ol style="list-style-type: none"> Completed the development and baseline test of two single-chip Hall current sensor prototypes, with test results meeting technical specifications (on accuracy across the full temperature range, bandwidth, response time, etc.); and completed the designated mould development; Completed the development and baseline test of three triple- and multi-junction Hall current sensor prototypes, and delivered samples to customers; Completed scheme design of current sensor for 800V high-voltage platform, as well as the designated mould development. 	To complete the development of current sensors for electric drive systems of four new energy vehicles as well as their product prototypes, with performance meeting customer requirements on application.	<ol style="list-style-type: none"> Addressing the needs from small-size and low-cost electronic control systems, the Company aims to develop compact single-chip and monolithic-board Hall current sensors, with flexibility in installation to improve compatibility with electronic control systems; Developing current sensors for 800V high-voltage platform to enhance their withstand voltage level and safety performance. 	New energy vehicle sensors

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
19	Key Technology Research and Product Development of X-PIN based Electrically Excited Electric Drive System	532	197	197	<ol style="list-style-type: none"> Established a simulation platform for electrically excited motors as well as a software and hardware platform for motors and controllers, to simulate electrically excited electromagnetic performance and temperature rise characteristics of motors; developed evaluation methods for rotor torsional capacity and fatigue strength; completed excitation circuit scheme and detailed design, as well as the development and simulation of excitation control algorithm. 	To develop a functional prototype for electrically excited drive motor system with peak power greater than 180kW and peak torque greater than 350Nm, develop electromagnetic simulation software and control software for electrically excited generator, and establish design criteria of electrically excited generator, X-PIN based manufacturing process specifications and test specifications.	Accurately calculating single-point performance of electrically excited motors, establishing accurate thermal circuit models, rotor torsional capacity evaluation and analysis methods, and structural strength evaluation methods considering winding solder joints of electrically excited motors, and achieving "one-key" electromagnetic scheme design of electrically excited motors; completing control algorithm, excitation current control and deep integration of excitation hardware unit and three-phase stator current output unit, satisfying key requirements on high dynamic performance, high torque precision, etc., completing accumulation and reserve of related technologies, and improving our product spectrum.	New energy vehicle electric drive systems

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
20	Development of MW-class Bidirectional Converter with Maglev Flywheel	138	61	61	<ol style="list-style-type: none"> 1. Conducted research on the adaptation technology for MW-class bidirectional converter system with flywheel energy storage; 2. Conducted research on technical route and design method of MW-class modular bidirectional converters; 3. Conducted research on fast charging and discharging control strategies with high inertia and high fundamental frequency; 4. Completed construction drawing design of 600KW bidirectional converter with maglev flywheel. 	Based on application requirements of the maglev flywheel energy storage industry, the Company aims to establish a product platform for bidirectional converter systems with maglev flywheels below MW-class, to meet technical requirements in the industry on high fundamental frequency, frequent fast charging and discharging, high dynamic response, and high reliability.	<ol style="list-style-type: none"> 1. Conducting innovative research on modular integrated bidirectional converter technology at the machine and grid sides; 2. In respect of full speed range, speed sensorless control and fast charging and discharging control methods for maglev flywheel permanent magnet motors, the technological level reaches the domestic advanced level. 	Industrial converter products

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No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
21	Technology Research and Product Development of Electrification Platform Technology for Deep Sea Robot	975	240	240	<ol style="list-style-type: none"> Completed scheme design of underwater DC 4,500V high-voltage direct current conversion power supply, high-frequency and efficient bidirectional power supply for DCDC bidirectional conversion mechanical arm, underwater insulation detection board and DC-HUB control board, and underwater permanent magnet drive motor; Conducted pressure test screening for key power electronic components of corresponding parts, completed the preparation of pressure test plan for power electronic components, and completed static pressure tests at 65MPa for 12 electronic components as well as pressure tests for 2 principle boards. 	To conduct research on efficient underwater electric transmission technology, develop power supply system, control, monitoring and protection devices, solve the difficulties in deep-sea underwater power supply and safe and reliable operation at mid- to high-power load, achieve efficient utilization of electric power, reduce operating costs of deep-sea equipment, minimise underwater electrical impact, improve service life of electric control system, and enhance market advantage and position of our complete machines.	<ol style="list-style-type: none"> Developing voltage-withstanding and driving technologies of semiconductor power devices, and realising their application in underwater converters, DC networking and distributed power supply systems; Conducting research on underwater cluster control, detection and protection scheme, and establishing the foundation of intelligent control technology and system intelligent diagnosis technology for underwater robots; Developing a high-power deep-sea propeller unit based on the integrated permanent magnet direct drive motor and drive system, and achieving high-efficiency electrification of deep-sea robot drive system; The Company as a leading player in the ROV sector aims to establish a complete underwater electric drive product and technology platform. Currently, our underwater electrification and intelligent technologies are in a leading position in the industry. 	Deep-sea marine equipment
Total	/	27,058	6,254	12,905	/	/	/	/

Section III Management Discussion and Analysis

5. R&D Personnel

Unit: RMB0'000 Currency: RMB

	Basic information	
	Amount for the current period	Amount for the corresponding period of previous year
Number of R&D personnel of the Company (persons)	3,076	2,775
Percentage of R&D personnel in the workforce of the Company (%)	37.08	35.26
Total remuneration of R&D personnel	46,558.76	39,506.5
Average remuneration of R&D personnel	15.1	14.2

Education level	Educational backgrounds	
	Number (persons)	Proportion (%)
Doctorate degree	101	3.28
Master degree	1,225	39.83
Bachelor degree	1,702	55.33
Junior college degree and below	48	1.56
Total	3,076	100.00

Age group	Age structure	
	Number (persons)	Proportion (%)
Aged below 30 (exclusive of 30)	865	28.12
Aged 30-40 (inclusive of 30 and exclusive of 40)	1,524	49.54
Aged 40-50 (inclusive of 40 and exclusive of 50)	577	18.76
Aged 50-60 (inclusive of 50 and exclusive of 60)	110	3.58
Aged 60 and above	0	0.00
Total	3,076	100.00

Note: The statistics on R&D personnel and their remunerations cover domestic entities included in the consolidated statements of the Company and exclude overseas subsidiaries and branches.

6. Other Explanations

☐ Applicable ☒ Not applicable

Section III Management Discussion and Analysis

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Analysis of Core Competitiveness

✓ Applicable ☐ Not Applicable

1. *Leading market position*

As a leading traction converter system supplier in China's rail transit industry, the Company provides traction converter system products that cover a variety of models in the fields of locomotives, bullet trains and urban rail transit, breaks the international monopoly, realises domestic substitution of the core train system, and takes the lead in domestic market. As of the first half of 2024, its high-speed railway and locomotive traction converter system products maintained the leading position in the domestic market for consecutive years. In the field of urban rail transit, based on public information such as the tendering and bidding activities for urban rail traction converter system, the Company sustained its top market share in the domestic market for 12 consecutive years from 2012 to 2023. In the field of railway engineering machinery, Baoji CRRC Times, a subsidiary of the Company, is one of the three manufacturers of road maintenance machinery designated by State Railway Group. With about 79 administrative licenses, it can produce more than 50 kinds of products, and continuously expands to the passenger line and urban rail markets.

Furthermore, the Company rode on the opportunities in emerging equipment business to make breakthroughs, ranking ahead among peers. On power modules for passenger cars, the Company ranked among the top two in terms of installations with a market share of 13.4% (source: NE Times) during the first half of 2024. On photovoltaic inverters, the Company won bids of 8.35GW during the first half of 2024, ranking among the top five in the domestic industry (source: Solarbe.com). The installations of electric drive system for new energy vehicles were on constant rise, ranking among the top nine among domestic peers, and the installations of electric control system for new energy vehicles recorded a year-on-year increase of 57%, securing a footing among top six in the domestic market (source: NE Times). On sensor devices for rail transit, the Company consistently ranked No. 1 in terms of domestic market share, while staying in the forefront across new energy vehicle, wind power and photovoltaic sectors.

2. *Innovation-driven technological capabilities*

The Company is deeply engaged in the field of traction converter systems of rail transit vehicles, and has developed outstanding technological innovation strength. On this basis, the Company follows the strategy of "concentric diversification" to extend to related fields. The Company has built a well-established R&D system with continuous innovation capabilities in product design, manufacturing and testing. The Company has set up the Technical Committee to provide decision-making support for scientific research and technology development, introduced CMMI, IPD and other management systems and concepts, and established a R&D model featuring a synergy between industry product application technology and innovative cutting-edge technology. With strong capabilities in scientific research experiment, testing and detection, the Company has established a detection and testing system including more than 20 laboratories including electrical system laboratory, motor laboratory, large vibration laboratory, reliability laboratory and TSN network consistency laboratory, covering research tests, type tests and ex-factory tests in various business areas.

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The Company has 6 national technological innovation platforms, 7 provincial technological innovation platforms, and 1 postdoctoral workstation. The Company has been granted a total of 3,540 valid patents at home and abroad, including 2,215 invention patents; and led or participated in the formulation of 50 international standards and 174 domestic standards (including national standards, industry standards and group standards). In aggregate, the Company has obtained approvals for 37 national programs in the last five years, and successively received a number of important awards including National, Provincial and Ministerial Science and Technology Progress Awards, Science and Technology Award of China Electrotechnical Society, China Machinery Industry Science and Technology Award, Science and Technology Award of China Railway Society, and China Quality Award. This demonstrates its industry-leading strength in comprehensive scientific and technological innovation. The Company passed the review and was accredited as a high and new technology enterprise upon expiry of the three-year validity period, won 1 patent excellence award in China, 1 first patent prize in Hunan Province, and China Standard Innovation Contribution Award for 2 projects for the first time. Besides, it passed the review and acceptance by the Ministry of Science and Technology on its National Key Laboratory for Power Semiconductor and Integrated Technology, and was approved as a heavy-haul train automatic driving engineering technology research center in Hunan.

3. *Highly reliable quality and service advantages*

The Company always regards product quality as the foundation of survival. To comply with the changing management requirements of the international railway market and continuously improve the management ability and level of its quality system, the Company has passed a series of international quality management system certifications including ISO9001, EN15085 CL1, ISO22163, and IATF16949 certifications, has obtained CRCC certification for relevant railway products, and conducts quality control of products in the production process. In addition, the Company has established a life-cycle quality management and assurance system covering design, development, procurement, manufacturing, marketing and services. Specifically, the Company identifies improvement opportunities through process review, process inspection, internal and external audit, regular management review, irregular quality inspection, data analysis and process improvement, and assigns relevant responsibilities to ensure that the improvement goals are achieved. The well-established quality management system and the whole life cycle quality management model ensure the high reliability and efficiency of products. The Company was awarded the title of Industrial Enterprise Quality Benchmarking Enterprise by the Ministry of Industry and Information Technology in 2013, and won the second China Quality Award in 2016. The Company always upholds the quality concept of “quality-driven era”, implements rigorous quality and safety control measures, and has built a company-wide quality culture emphasizing that “quality is the lifeline and the supreme responsibility and honor of the Company”.

In after-sale service, the Company established the “Greenshade Service” brand in 2004 and registered the only “Greenshade (綠蔭)” service trademark for after-sale service in the domestic rail transit industry. Upholding the tenet of “fast, effective and satisfactory services”, the Company provides customers with around-the-clock, one-stop quality onsite service and continues to create value for customers. In addition, in line with strategic maintenance planning of State Railway Group and in an ongoing effort to expand and optimise its maintenance coverage, the Company has established maintenance branches in Qingdao and Luoyang, as well as a number of local maintenance bases across the country.

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4. Synergy across the whole industry chain

Based on “two rails” and centering on “technology” and “market”, the Company has built presence in diverse industries and formed a complete industry chain comprising “basic components, devices and systems, complete machines and engineering”. The Company’s main products include rail transit electrical equipment (primarily traction converter systems of rail transit vehicles), railway engineering machinery, communication signal systems, power semiconductor devices, etc. In addition, leveraging its technologies, channels, brands and other advantageous resources in the field of rail transit equipment, the Company actively expands to industries other than rail transit, and comprehensively improves product strength through ongoing lean production, intensified process control, supplier management, etc. The complete industry chain structure and the growing emerging equipment business not only bring the Company profit growth drivers, but also serve as an important guarantee for the Company to master the whole industry chain resources and build a supplier system with self-developed core technologies and effective cost control.

5. Industry leading high-caliber personnel

The Company has a group of talents who master the core technologies, high-end skills and management expertise in the industry. Their professional backgrounds cover the fields of mechanical electronics, electrical engineering, automatic control, power electronics and materials, and their specialties are highly complementary. Among them, the R&D team is led by academicians of Chinese Academy of Engineering and consists of 3,076 R&D professionals, accounting for 37.08% of the total workforce. More than one-third (43%) of them have a graduate degree or above. The excellent team has laid a solid foundation for the Company to develop key technologies and maintain a technical edge.

In addition, the Company’s management team has extensive industry experience in the field of rail transit equipment manufacturing. Mr. Ding Rongjun, the former Chairman, has more than 38 years of experience in the rail transit industry. He was awarded the 7th Zhan Tianyou Railway Science and Technology Award and Achievement Award in 2005, was selected as an academician of the Chinese Academy of Engineering in 2011, and was named a Figure to Pay Tribute to for the 50th Anniversary of Urban Rail Transit in China in 2019. The traction converter technology developed by Mr. Ding Rongjun has been widely applied in rail transit vehicles, and he has led the team to build a semiconductor technology system with independent intellectual property rights. Mr. Li Donglin, the current Chairman of the Company, and Mr. Shang Jing, the Vice Chairman of the Company, also have more than 20 years of experience in the rail transit industry. Mr. Li Donglin received the Locomotive Medal of the All-China Railway Federation of Trade Unions and the title of Outstanding Entrepreneur of Hunan Province in 2011, and won the first prize of National SOE Management Innovation Achievements in 2017. Mr. Shang Jing is a national young and middle-aged scientific and technological innovation leader. He was selected into the “Ten Thousand Talents Program”, enjoyed the special allowance of the State Council, presided over and participated in 3 national scientific and technological projects, and won one second prize of national technological invention award and three golden prize of China patent prize. Mr. Xu Shaolong, who currently holds the positions as an executive Director and the general manager of the Company, is a core representative and senior technical expert in the technical discipline of rail transit traction drive control and new energy system of CRRC. He presided over and participated in 4 national scientific and technological projects, applied for more than 50 invention patents, and won the first prize of railway science and technology of China Railway Society, the first prize of Hunan Science and Technology Progress Award, Hunan Huxiang Young Talents, Locomotive Medal and other honorary awards. Over the years, the management team with rich industry experience has led the Company to accurately seize industry development opportunities and achieve leapfrog growth.

(II) Events which have a Serious Impact on the Company’s Core Competitiveness, Impact Analysis and Countermeasures During the Reporting Period

☐ Applicable ☒ Not applicable

Section III Management Discussion and Analysis

IV. DISCUSSION AND ANALYSIS OF OPERATIONS

The first half of 2024 witnessed a continual revival in the domestic economy weighed on by insufficient inherent dynamics and feeble demands, mixed with an increasingly complicated and grim external environment. In light of development concept of “high-quality, high-efficiency operation” and the strategy of “concentric diversification”, the Company stayed rooted in the rail transit industry to innovatively develop emerging businesses and achieved sound growth.

The rail transit industry witnessed several record highs with the steady increase in railway traveling, the number of EMU tenders of the State Railway Group has exceeded that of the previous year, and the Company maintained a stable market share with continuous improvement in research and development of serialized new energy locomotives and installations of certain specifications. The number of EMU advanced overhaul tenders of the State Railway Group recorded an increase. Meanwhile, the Company proactively coordinated with original equipment manufacturers to venture into overseas markets, and secured orders in Asia, America, Europe and Africa. China Association of Metros approved the China Integrated Urban Rail Transit Development Guide on 12 June 2024, which charts the course for the sustainable and high-quality development of urban rail transit. Committed to the four competitive edges of “technology, market, brand and services”, the Company continued to stay at the forefront of the industry in terms of new orders of rail transit traction system. In rail engineering machinery equipment field, the Company proactively expedited the research, development and promotion of multi-source power catenary operation vehicle, grinding vehicle, flaw detection vehicle and other new products, and won orders for the overhaul of grinding vehicle, flaw detection vehicle and other high-end models. For railway signal products, the Company maintained a stable market share, and secured new orders for urban rail signal system products.

In emerging equipment business, our power semiconductor, electric drive for new energy passenger vehicles, sensor, wind, solar, hydrogen and energy storage operations, which are closely aligned with China’s “carbon peak and neutrality” strategy in faster paces, and green, energy conservation and low-carbon initiatives of the top-level design document of the “Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development” released by the State Council, continued to grow rapidly.

Power semiconductor sector: the existing production lines operated at full capacity, Yixing Phase III project progressed with stability and is expected to commence operation in the second half of 2024, and the production capacity of medium and low voltage devices continues to increase. High-voltage devices for power grid and rail transit were delivered in succession, the IGBT7.5 generation chip technology products achieved bulk delivery, development of the fourth generation trench gate chip has been completed for SiC products, the SiC production line has been transformed, and the SiC products for new energy vehicles are in the ongoing verification stage.

New energy passenger car electric drive sector: the layout of “1+N” four major production bases nationwide has been basically completed with steady increase in production capacity and consecutive record highs in monthly capacity. Approximately 40,000 units of HOZON and SGMW with our electric drive system have been exported to overseas markets. The Company promoted scientific and technological research and remained dedicated to innovation of cutting-edge technologies to improve the competitiveness of electric drive technology.

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Sensor sector: revenue from sensor business recorded a decline in the first half of 2024 due to a slowdown in demand of the photovoltaic industry, coupled with a drop in unit price of automobile sensor products. The Company will further increase investment in research and development, enhance technology capabilities, expedite the pace of product upgrade, enrich product offerings and reinforce development efforts in the domestic and overseas new energy markets, so as to achieve steady and healthy growth for the sensor business.

Industrial converter segment: the Company's industrial converter products secured new orders in new energy power generation, metallurgy, mining, shipbuilding and air conditioner fields, with the existing product models in continuous bulk delivery. In new energy power generation field, delivery of photovoltaic inverter and wind power converter products picked up pace. As the only central enterprise in the photovoltaic inverter market, the Company gave full play to its synergistic strengths across technologies, products and the whole industry chain and was admitted to the majority of the collective bidding/framework bidding invitations of central power enterprises.

Marine equipment sector: the Company secured several new orders from the domestic and overseas markets, maintained a leading market share globally in underwater trenching and cable laying products, made steady progress in the verification and testing of electric underwater robot, and won wide acclaim from various potential customers.

Significant changes in the operating condition of the Company during the reporting period, and events that occurred in the reporting period with a material impact or expected to have a material impact on the operation condition of the Company

☐ Applicable ☒ Not applicable

V. RISK FACTORS

☒ Applicable ☐ Not Applicable

(I) Core Competitiveness Risk

☒ Applicable ☐ Not Applicable

As a railway transit equipment supplier, the Company is required to launch constant research into new technologies and products, and invest tremendous manpower, capital and resources based on market demands and industry technological improvements. Given the uncertainties in technological research and development, in case that the Company misjudges the development trends of technologies and products, suffers a delay in technological research and development, fails to achieve the expected research and development results, or encounters difficulties in transformation of technological results, the Company's research and development of new technologies and products may end up as a failure, or the marketed new products cannot generate the expected revenue for the Company, which will have an adverse impact on the operating performance of the Company.

Countermeasures: The Company will keep abreast of industry technological dynamics both at home and abroad, gain insight into market trends, reinforce the interconnection between technological R&D and market operation, strengthen market research, improve innovation capability, expedite the independent research and development of core technologies and enhance product quality.

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(II) Operating Risk

✓ Applicable ☐ Not Applicable

Risk identification: The increasingly complicated world economic environment, outbreaks of international political disputes, intensification in world turmoil and other headwinds exposed the Company's overseas operations to various risks. The shortage of human resources, tight supply chain and increased project cost overseas have an adverse impact on the Company's existing overseas operation and management. In addition, the Company's overseas projects are characterised by long execution cycle, strict technical requirements, high document standards and localization requirements, which involve coordination among the general contractors, project owners and suppliers, and thus raise higher requirements for project execution, progress and management.

Countermeasures: The Company will identify the execution risks of overseas projects, scientifically implement qualitative and quantitative risk analysis, establish a risk experience base and a rapid response mechanism for risk prevention and control, and develop and improve the project risk management and control system. It will make constant efforts to improve the overseas marketing model and explore the international market participation strategy. Besides, it will set up a long-term tracking mechanism for market project information, regularly follow up project information and update project progress in time, focus on key customers, and effectively maintain customer relations.

(III) Financial Risk

✓ Applicable ☐ Not Applicable

With the progress of our globalisation strategy, the Company continues to enhance efforts in market development, import and export of products and overseas investments, which results in various risks arising from fluctuations in interest rates. For instance, international economic turbulence and unpredictable fluctuation of the foreign exchange market will lead to risks such as the increase in loss from assets and liabilities denominated in foreign currencies held by the Company, sales and procurement transactions settled in foreign currencies, as well as increase in cost.

Countermeasures: The Company will strengthen the risk prevention awareness of relevant personnel and pay constant attention to the trend of foreign exchange rate movements; establish a whole-process exchange rate risk management mechanism, formulate and implement appropriate foreign exchange risk management plans; and adopt foreign exchange risk management scheme to mitigate foreign exchange risks in the early stage of foreign currency business.

(IV) Industry Risk

✓ Applicable ☐ Not Applicable

Amid the evolving national new energy subsidy policies and the intensifying price competition in parts of new energy vehicles, domestic and foreign giants as well as relevant companies might leverage their scale advantages and low-cost strategies to seize market share, compete for the existing and potential customers, and gain market share from others. Moreover, the accelerating evolution of new energy vehicle market, together with more and more new entrants to market competition and the increasingly shorter technology upgrade cycle, will pose higher requirements on technology iteration speed and R&D capabilities for the next-generation products.

Countermeasures: The Company will proactively collect information on national policies and industry dynamics, strengthen research on market trends and operation strategies, establish a market risk early warning mechanism, and improve its market operation strategy; and strengthen technological innovation to enhance product competitiveness continuously.

Section III Management Discussion and Analysis

(V) Macro Environment Risk

✓ Applicable ☐ Not Applicable

Amid the heightened international trade protectionism, the intensifying international competition in the industry leads to more uncertainties and uncontrollable factors across international markets, and also weighs on the Company's import and export business, operations of overseas subsidiaries and market development of the international business, which might lead to higher product costs and more difficulties in securing orders.

Countermeasures: The Company will focus on analysing the political and economic situation of countries and regions where its overseas business operates, the national credit and foreign exchange of such countries, economic, trade and political risks between China and the destination countries, strengthen the risk assessment of overseas projects, establish a risk analysis table, analyse the scope of responsibility, scope of work and risks item by item, set up a risk matrix, and evaluate the feasibility of projects according to the profile of the project, business and technology to effectively guard against the risks in overseas market development.

(VI) Other Material Risks

✓ Applicable ☐ Not Applicable

For expansion into the new energy industry exposed to intense competitions, due to uncertainties in industry competition, customer acceptance, product technology, quality reliability and cost control, etc., the Company is exposed to risks in the inability to meet product and technical requirements of project owners, slower-than-expected development and launch of new products and lagging behind changes in market demand in product upgrade, which may have an impact on the realisation of the scheduled development goals of the new energy industry.

Countermeasures: The Company will keep informed of industry dynamics, continue its efforts in benchmarking against industry leaders, and conduct research into and learn from them. Besides, the Company will deploy adequate resources to scientifically venture into the new energy industry, stringently control risks relating to project quality, safety, progress and cost, attach importance to process management and control, and sharpen the focus on risk events.

Section III Management Discussion and Analysis

VI. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

During the reporting period, committed to the development concept of “quality operation and efficiency management”, the Company upheld the “concentric diversification” strategy. With its foothold rooted in the four core competitive advantages including “technology, market, brand and services”, the Company cemented and improved the rail transit business to seek new growth drivers. Dedicated to serving the “carbon peaking and neutrality” initiative of the nation, the Company grasped market opportunities to expand the emerging equipment business.

During the reporting period, the Company achieved revenue of RMB10.284 billion, representing a year-on-year increase of 19.99%. The Company realised net profit attributable to the shareholders of the listed company of RMB1.507 billion, representing a year-on-year increase of 30.56%, primarily attributable to an increase in gross profit due to the increase in revenue. The Company recorded basic earnings per share of RMB1.07, representing a year-on-year increase of 32.10%, and weighted average rate of return on net assets of 3.93%, representing a year-on-year increase of 0.65 percentage points, primarily attributable to the increase in net profit attributable to the shareholders of the listed company.

(I) Principal Business Analysis

1 Analysis of changes in relevant items in the financial statements

Unit: Yuan Currency: RMB

Account item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Revenue	10,283,733,393	8,570,210,633	19.99
Cost of sales	7,421,189,690	6,225,945,062	19.20
Selling expenses	203,545,797	202,406,756	0.56
Administrative expenses	432,903,741	385,954,580	12.16
Financial expenses	-78,047,017	-126,682,975	N/A
R&D expenses	944,888,068	809,725,754	16.69
Net cash flow from operating activities	670,363,515	-468,059,212	N/A
Net cash flow from investing activities	-3,074,478,598	69,930,686	-4,496.47
Net cash flow from financing activities	4,495,429,019	37,816,024	11,787.63

Section III Management Discussion and Analysis

Reasons for changes in revenue: please refer to the table below for details:

Unit: 100 million Yuan Currency: RMB

Business segment	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Rail transit equipment business	61.39	46.91	30.87
Where: Rail transit electric equipment business	49.47	38.85	27.33
Rail engineering machinery business	5.57	4.82	15.57
Communication signal business	4.16	1.80	131.47
Other rail transit equipment business	2.19	1.44	52.23
Emerging equipment business	40.94	37.49	9.21
Where: Power semiconductor devices business	17.47	13.80	26.63
Sensor devices business	1.36	2.57	-47.01
New energy vehicle electric drive system business	9.03	8.33	8.23
Industrial converter business	9.03	9.37	-3.58
Marine equipment business	4.05	3.42	18.61
Others	0.51	1.30	-61.17
Total	102.84	85.70	19.99

Reasons for changes in cost of sales: mainly due to a year-on-year increase in revenue.

Reasons for changes in selling expenses: remaining relatively stable from the corresponding period of last year.

Reasons for changes in administrative expenses: mainly due to a year-on-year increase in expenses incurred for maintenance of facilities and office work, business travels and conferences.

Reasons for changes in financial expenses: mainly due to a year-on-year increase in foreign exchange losses.

Reasons for changes in R&D expenses: mainly due to a year-on-year increase in employee benefits.

Reasons for changes in net cash flow from operating activities: mainly due to a year-on-year increase in cash received from sale of goods and rendering of services.

Reasons for changes in net cash flow from investing activities: mainly due to a year-on-year decrease in cash received from disinvestment.

Reasons for changes in net cash flow from financing activities: mainly due to a year-on-year increase in cash receipts from capital contributions from minority shareholders of subsidiaries.

Section III Management Discussion and Analysis

2 Detailed explanation of the significant changes in the Company's business types, profit composition or profit sources in the current period

☐ Applicable ☒ Not Applicable

(II) Explanation on Material Changes in Profit Caused by Non-principal Business

☐ Applicable ☒ Not Applicable

(III) Analysis of Assets and Liabilities

☒ Applicable ☐ Not Applicable

1. Assets and liabilities

Unit: Yuan

Item	Closing balance of the current period	Percentage of closing balance of the current period in total assets (%)	Closing balance of the previous year	Percentage of closing balance of the previous year in total assets (%)	Change in closing balance of the current period over the previous year (%)	Note
Cash and bank balances	10,788,369,571	17.42	7,903,177,340	14.80	36.51	(1)
Bills receivable	986,313,390	1.59	2,376,882,219	4.45	-58.50	(2)
Accounts receivable	12,653,604,811	20.43	9,635,843,983	18.04	31.32	(3)
Contract assets	512,332,036	0.83	389,029,590	0.73	31.69	(4)
Non-current assets due within one year	2,195,380,486	3.54	1,100,449,970	2.06	99.50	(5)
Other current assets	707,462,540	1.14	398,732,487	0.75	77.43	(6)
Construction in progress	3,197,950,382	5.16	1,261,506,969	2.36	153.50	(7)
Contract liabilities	1,010,258,295	1.63	740,517,135	1.39	36.43	(8)
Employee benefits payable	394,508,299	0.64	204,231,552	0.38	93.17	(9)
Taxes payable	290,862,127	0.47	217,755,649	0.41	33.57	(10)
Other payables	2,819,948,208	4.55	1,145,345,758	2.14	146.21	(11)
Non-current liabilities due within one year	800,923,801	1.29	497,130,061	0.93	61.11	(12)
Other current liabilities	130,296,909	0.21	91,909,989	0.17	41.77	(13)
Deferred income	478,089,290	0.77	777,841,769	1.46	-38.54	(14)

Section III Management Discussion and Analysis

Other explanations

- (1) mainly due to cash receipts from capital contributions from minority shareholders of subsidiaries during the reporting period.
- (2) mainly due to maturity of commercial acceptance notes measured at amortised cost during the reporting period.
- (3) mainly due to the increase in accounts receivable due to increase in revenue during the reporting period.
- (4) mainly due to an increase in contract assets underlying construction services during the reporting period.
- (5) mainly due to an increase in certificates of deposit due within one year during the reporting period.
- (6) mainly due to an increase in deductible input tax during the reporting period.
- (7) mainly due to an increase in investment in production lines under construction during the reporting period.
- (8) mainly due to an increase in receipt in advance relating to sales contracts during the reporting period.
- (9) mainly due to the outstanding annual bonuses provided based on progress during the reporting period.
- (10) mainly due to an increase in value-added tax and corporate income tax payable during the reporting period.
- (11) mainly due to outstanding cash dividends declared during the reporting period.
- (12) mainly due to an increase in estimated liabilities due within one year during the reporting period.
- (13) mainly due to an increase in pending output tax due to the increase in receipt in advance relating to sales contracts during the reporting period.
- (14) mainly due to carrying-forward of deferred income to other income during the reporting period.

Section III Management Discussion and Analysis

2. Overseas assets

☒ Applicable ☐ Not Applicable

(1) Asset size

Where: Overseas assets amounted to RMB2,016,184,036, accounting for 3.26% of total assets.

(2) Explanation on the high proportion of overseas assets

☐ Applicable ☒ Not applicable

Other explanations

Nil

3. Restrictions on major assets as at the end of the reporting period

☒ Applicable ☐ Not Applicable

Please refer to "Section X Financial Report – VII. Notes to Key Items of the Consolidated Financial Statements – 22. Assets with Restrictive Ownership Title or Right of Use".

4. Other explanations

☐ Applicable ☒ Not applicable

(IV) Investment Analysis

Overall analysis of external equity investment

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Investment during the reporting period (RMB)	Investment in the same period last year (RMB)	Change
47,000,000	131,694,115	-64.31%

During the reporting period, the Group made external equity investments in an amount of RMB47,000,000, which represented capital increase in Zhixin Semiconductor Co., Ltd. included in long-term equity investments. During the corresponding period last year, the Group made external equity investment in an amount of RMB131,694,115, which represented capital increase of RMB73,500,000 in Guangzhou Qinglan Semiconductor Co., Ltd. included in long-term equity investments and capital increase of RMB58,194,115 in Xicheng CRRC (Wuxi) Urban Transit Transport Engineering Co., Ltd. included in other equity instrument investments.

As of the end of the reporting period, balance of the Group's external equity investments reached RMB795,832,797, representing an increase of 3.81% from RMB766,661,196 at the beginning of the year. In particular, balance of long-term equity investments in associates and joint ventures reached RMB562,582,805, representing an increase of 5.47% from RMB533,411,204 at the beginning of the year. For details, please refer to "VII. Notes to Key Items of the Consolidated Financial Statements-12. Long-term Equity Investments" in the financial report as set out in Section X.

Section III Management Discussion and Analysis

1. *Material equity investment*

☐ Applicable ☒ Not applicable

2. *Material non-equity investment*

☐ Applicable ☒ Not applicable

3. *Financial assets measured at fair value*

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Asset type	Opening amount	Profit or loss from fair value changes in the current period	Accumulated fair value changes included in equity	Impairment provision in the current period	Purchase amount during the current period	Disposal/redemption amount during the current period	Other changes	Closing balance
Held-for-trading financial assets	4,776,392,878	27,776,390	-	-	5,292,000,000	6,560,000,000	-44,994,504	3,491,174,764
Bills receivable at fair value	1,623,630,832	-	2,483,122	-	-	-	90,874,787	1,716,988,741
Accounts receivable at fair value	2,887,920,287	-	21,216,831	-	-	-	159,154,782	3,068,291,900
Other equity instrument investment	233,249,992	-	-	-	-	-	-	233,249,992
Total	9,521,193,989	27,776,390	23,699,953	-	5,292,000,000	6,560,000,000	205,035,065	8,509,705,397

Securities investment

☐ Applicable ☒ Not applicable

Derivatives investment

☒ Applicable ☐ Not Applicable

(1) *Derivatives investment for hedging purpose during the reporting period*

☐ Applicable ☒ Not applicable

(2) *Derivatives investment for speculative purpose during the reporting period*

☐ Applicable ☒ Not applicable

Section III Management Discussion and Analysis

Other explanations

At the sixth meeting of the seventh session of the Board and the fifth meeting of the seventh session of the Supervisory Committee held on 28 March 2024, the Resolution on Estimated Cap of the Company's Proposed Foreign Exchange Derivatives Transactions in 2024 was considered and approved, pursuant to which, the Company and its subsidiaries have been approved to conduct foreign exchange derivatives business with an estimated cap of not more than RMB2.5 billion or foreign currencies in equivalent amount in 2024. The aforesaid transaction cap shall be valid for a period of 12 months commencing from the date of consideration and approval by the Board, and can be utilised on a rolling basis during the validity period. The Company did not conduct any derivatives investment business during the reporting period.

4. *Investment in private equity investment fund*

☐ Applicable ☒ Not applicable

Other explanations

None

(V) Sale of Major Assets and Equity Interests

☒ Applicable ☐ Not Applicable

At the sixth meeting of the seventh session of the Board held on 28 March 2024, the Resolution on Introducing Strategic Investors and Employee Stock Ownership Platform Through Capital Increase by Zhuzhou CRRC Times Semiconductor Co., Ltd. was considered and approved, pursuant to which, CRRC Times Semiconductor proposed to introduce a total of 26 strategic investors including Zhuzhou Guochuang Tianxin Venture Capital Fund Partnership (Limited Partnership), as well as Zhuzhou Chip Development No. 0 Enterprise Management Partnership (Limited Partnership), the employee stock ownership platform, through capital increase totaling RMB4,327.80 million. Upon completion of the capital increase, the Company's shareholding in CRRC Times Semiconductor will change to 77.7771%, and it will remain a direct controlling shareholder of CRRC Times Semiconductor. For details, please refer to the Announcement on Progress of Introducing Strategic Investors and Employee Stock Ownership Platform Through Capital Increase by Zhuzhou CRRC Times Semiconductor Co., Ltd., a Controlling Subsidiary of Zhuzhou CRRC Times Electric Co., Ltd. (Ann No.: 2024-011) disclosed by the Company on the website of the SSE on 29 March 2024 and the announcements dated 28 March 2024 and 11 April 2024 in relation to the deemed disposal through capital increase by a subsidiary of the Company disclosed on the website of the Hong Kong Stock Exchange. As of 30 June 2024, the capital increase agreement has been executed and the increased capital has been paid up. The change in industrial and commercial registration has yet to be completed.

(VI) Analysis of Major Subsidiaries and Associates

☒ Applicable ☐ Not applicable

Please refer to "X Interests in Other Entities" in "Section X – Financial Report" for details.

(VII) Structured Entities Controlled by the Company

☐ Applicable ☒ Not Applicable

VII. OTHER DISCLOSURES

☒ Applicable ☐ Not applicable

Section III Management Discussion and Analysis

(I) Borrowings

The table below sets out the borrowings of the Group as at the dates indicated:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term borrowings	338,073,829	396,922,553
Long-term borrowings (including long-term borrowings due within one year)	940,116,106	720,635,829
Total	1,278,189,935	1,117,558,382

The maturities of borrowings are analysed below:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Due within 1 year	599,887,835	485,614,996
Due within 1 to 2 years	330,114,100	274,939,286
Due within 2 to 5 years	329,000,000	331,816,100
Due over 5 years	19,188,000	25,188,000
Total	1,278,189,935	1,117,558,382

As of the end of the reporting period, the above borrowings carried an annual interest rate ranging from 1.08%-7.45% (1.08%-7.40% as at the beginning of the period).

(II) Liquidity

The Board considered that the Group had sufficient liquidity to satisfy its present need for liquid funds.

Section III Management Discussion and Analysis

(III) Commitments

For details of the commitments of the Group as at the end of the reporting period, please refer to “XVI. Commitments and Contingencies” as set out in Section X Financial Report.

(IV) Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. The Group’s objectives, policies or processes for managing capital during the reporting period remained unchanged from the corresponding period last year.

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group’s policy is to maintain the gearing ratio no more than 30%. Net debt includes financial liabilities at fair value through profit or loss, all borrowings, bills payable, accounts payable, employee benefits payable, other taxes payable excluding income tax payable, other payables, lease liabilities and long-term payables less cash and cash equivalents. Capital includes equity attributable to shareholders of the parent company. As of the end of the reporting period, the gearing ratio of the Group was 15.61%.

Section IV Corporate Governance

I. BRIEF INTRODUCTION TO THE GENERAL MEETINGS

Session	Date of meeting	Index of website designated for publication of the resolutions	Date of disclosure	Resolutions approved at the meeting
2023 annual general meeting, 2024 first class meeting of holders of A Shares and 2024 first class meeting of holders of H Shares	27 June 2024	www.sse.com.cn www.hkexnews.hk	28 June 2024	For details, please refer to the "Announcement on Resolutions Passed at the 2023 Annual General Meeting, 2024 First Class Meeting of Holders of A Shares and 2024 First Class Meeting of Holders of H Shares of Zhuzhou CRRC Times Electric Co., Ltd." published on the website of the SSE (Ann No.: 2024-028), and "Poll Results of the Annual General Meeting for Year 2023 and the First Class Meeting of Holders of H Shares of 2024 Held on 27 June 2024 of Zhuzhou CRRC Times Electric Co., Ltd." published on the website of the Hong Kong Stock Exchange

Request for Convening of Extraordinary General Meeting by Preferred Shareholders with Restored Voting Rights

☐ Applicable ☒ Not applicable

Explanation on the General Meetings

☒ Applicable ☐ Not Applicable

All the resolutions proposed at the above general meetings have been considered and approved, and no resolution was vetoed. The convening and holding procedures of the general meetings, qualifications of the convenor and attendees and the voting procedures complied with the requirements of the Company Law and the Articles of Association, and the resolutions passed at the general meetings were legal and valid.

Section IV Corporate Governance

II. THE CHANGES IN THE COMPANY'S DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICAL PERSONNEL

✓ Applicable ☐ Not Applicable

Name	Position(s) held	Change
Zhang Xinning	Non-executive Director	Resigned
Yan Changqi	Deputy general manager	Resigned
Liu Zehua	Deputy general manager and financial director	Resigned
Gan Weiwei	Deputy general manager	Appointed
Gan Weiwei	Core technician	Resigned
Sun Shan	Deputy general manager and financial director	Appointed
Liu Yong	Core technician	Resigned
Dou Zechun	Core technician	Appointed
Qi Yu	Core technician	Appointed
Shang Jing	General manager	Resigned
Liu Ke'an	Vice chairman and executive Director	Resigned
Shang Jing	Vice chairman and executive Director	Elected
Xu Shaolong	General manager	Appointed
Xu Shaolong	Executive Director	Elected
Feng Xiaoyun	Independent non-executive Director	Elected
Gao Feng	Independent non-executive Director	Resigned
Yi Weihua	Deputy general manager	Resigned
Li Peng	Deputy general manager	Resigned

Explanations on Changes in the Company's Directors, Supervisors, Senior Management and Core Technical Personnel

✓ Applicable ☐ Not Applicable

On 7 March 2024, Mr. Zhang Xinning resigned as a non-executive Director and member of the Strategy and ESG Committee of the Company due to work adjustment.

Section IV Corporate Governance

On 28 March 2024, Mr. Yan Changqi resigned as a deputy general manager of the Company due to work adjustment, and Mr. Liu Zehua resigned as a deputy general manager and financial director of the Company due to work adjustment. On the same date, the Company held the sixth meeting of the seventh session of the Board, at which Mr. Gan Weiwei was appointed as a deputy general manager and Ms. Sun Shan was appointed as a deputy general manager and financial director.

On 11 April 2024, Mr. Gan Weiwei, a core technician of the Company, ceased to serve concurrently as the director of the rail transit technology center due to his appointment as a deputy general manager of the Company; Mr. Liu Yong was re-designated from director of the Company's data and intelligent technology center to general manager of Hunan CRRC Times Signal & Communication Co., Ltd., a wholly-owned subsidiary of the Company, due to post adjustment; Mr. Liu Liangjie was re-designated from director of the Company's UK research and development center to director of the Company's data and intelligent technology center; Mr. Dou Zechun served as director of the Company's rail transit technology center; and Mr. Qi Yu served as director of the Company's UK research and development center. In light of division of work positions and responsibilities, the Company no longer recognises Mr. Gan Weiwei and Mr. Liu Yong as core technicians, continues to recognise Mr. Liu Liangjie as a core technician, and commences to recognise Mr. Dou Zechun and Mr. Qi Yu as core technicians.

On 14 May 2024, Mr. Shang Jing resigned as the general manager of the Company due to work adjustment.

On 12 June 2024, due to work adjustment, Mr. Liu Ke'an resigned as the vice chairman of the Company, executive Director, member of the Strategy and ESG Committee, chairman and member of the Risk Control Committee and member of the Science and Technology Innovation Committee. On the same date, Mr. Shang Jing was elected as the vice chairman of the Company, who also serves as the chairman and member of the Risk Control Committee of the Board, continues to serve as member of each of the Strategy and ESG Committee and Science and Technology Innovation Committee, and ceased to serve as chairman of the Science and Technology Innovation Committee commencing from 27 June 2024. On the same date, Mr. Xu Shaolong was appointed as the general manager of the Company.

On 27 June 2024, Mr. Xu Shaolong was elected as an executive Director, who also serves as chairman and member of the Science and Technology Innovation Committee and member of the Strategy and ESG Committee of the Board; Ms. Feng Xiaoyun was elected as an independent non-executive Director, who also serves as member of each of the Strategy and ESG Committee, Audit Committee, Remuneration Committee and Science and Technology Innovation Committee of the Board.

On 31 July 2024, Mr. Gao Feng, who has almost reached the upper-limit of six years for serving as an independent non-executive Director and taken into consideration of his primary business commitment, resigned as an independent non-executive Director, member of each of the Audit Committee and Nomination Committee, chairman and member of the Remuneration Committee and member of the Science and Technology Innovation Committee.

On 2 August 2024, Mr. Yi Weihua and Mr. Li Peng resigned as deputy general manager of the Company due to work adjustments.

Section IV Corporate Governance

Explanation on Certification of Core Technicians of the Company

☐ Applicable ☒ Not applicable

III. PLAN FOR DISTRIBUTION OF PROFITS OR TRANSFER OF CAPITAL RESERVE FUND INTO SHARE CAPITAL

Plan for Distribution of Profits or Transfer of Capital Reserve Fund into Share Capital Determined for the Interim Period

Whether to distribute profit or transfer capital reserve fund into share capital	No
Bonus shares for every 10 shares (share)	–
Profit declared for every 10 shares (RMB) (tax inclusive)	–
Transfer of capital reserve fund into share capital for every 10 shares (share)	–
Explanations on plan for distribution of profits or transfer of capital reserve fund into share capital	Not applicable

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

(I) Relevant Incentive Events Disclosed in the Temporary Announcements and with no Progress or Change in Subsequent Implementation

☐ Applicable ☒ Not applicable

Section IV Corporate Governance

(II) Incentives which were not Disclosed in the Temporary Announcements or with Subsequent Progress

Information on share incentive

☐ Applicable ☒ Not applicable

Other explanations

☐ Applicable ☒ Not applicable

Employee stock ownership plan

☐ Applicable ☒ Not applicable

Other incentive measures

☐ Applicable ☒ Not applicable

V. INFORMATION ABOUT EMPLOYEES OF THE COMPANY AND THEIR REMUNERATIONS AND TRAININGS

During the reporting period, there was no significant change in the Group's total workforce, employee composition and their remunerations and trainings as compared with those disclosed in the 2023 annual report.

VI. INFORMATION ABOUT CORPORATE GOVERNANCE

(I) Corporate Governance Practice

The Company has always been dedicated to improving the quality of its corporate governance, and maximising long-term value to the shareholders by increasing the Group's accountability and transparency through strict implementation of corporate governance practices.

To ensure that the Company earnestly fulfills its duties and responsibilities under the SEHK Listing Rules, the Company has formulated effective corporate supervision structure and reviews and improves its internal control and corporate governance mechanism from time to time.

The Company also effectively carries out information disclosure and investor relations management and services in strict accordance with the Articles of Association, rules of procedures of special committees under the Board, the Company Law and relevant laws, regulations and regulatory documents, as well as requirements of the Hong Kong Stock Exchange.

During the reporting period, the Company has complied with the code provisions in Corporate Governance Code set out in part 2 of Appendix C1 to the SEHK Listing Rules except for the following deviation.

Pursuant to Code Provision F2.2 of the Corporate Governance Code, chairperson of the board of directors is required to attend annual general meetings. Mr. Li Donglin, chairman of the Board, did not attend the annual general meeting of the Company held on 27 June 2024 due to other important business engagements. However, there were sufficient number of Directors attending the annual general meeting (including the executive and independent non-executive Directors) to ensure that the Board had a comprehensive and fair understanding of the views of the shareholders of the Company.

Section IV Corporate Governance

(II) Directors', Supervisors' and the Company's Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

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

(III) Securities Transactions by Directors and Supervisors

The Company has adopted a code of conduct no less exacting than that as provided in the Model Code as the code of conduct for all the Directors and supervisors trading securities of the Company ("code of conduct"). Having made specific enquiry to all the Directors and supervisors, all of them have confirmed that they have complied with the standards as stipulated by the code of conduct for the six months period ended 30 June 2024.

(IV) Purchase, Sale or Redemption of Listed Securities of the Company

During the reporting period, the Company repurchased and cancelled a total of 4,696,800 H Shares with a nominal value of RMB1 each on the Stock Exchange. Particulars are set out below:

Month of repurchase	Number of H Shares repurchased	Highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Total consideration (excluding expenses) (HK\$)
January 2024	4,696,800	21.8	19.64	98,558,789.24

Given that the repurchase of H Shares will improve the Group's net asset value per share as well as earnings per share and thus benefit the shareholders as a whole, shareholders have granted a general mandate at the first class meeting of holders of H Shares of the Company held on 27 June 2023, pursuant to which the Board undertook the repurchase of H Shares.

(V) Review of the Interim Report by the Audit Committee

The Audit Committee of the Company currently comprises four independent non-executive Directors, being Mr. Lam Siu Fung, Mr. Li Kaiguo, Mr. Zhong Ninghua and Ms. Feng Xiaoyun. Mr. Lam Siu Fung serves as the chairman of the Audit Committee.

The Audit Committee of the Company has reviewed the Group's unaudited interim condensed consolidated financial statements and the interim report for the six months ended 30 June 2024 prepared under the PRC Accounting Standards, and was satisfied that the unaudited interim condensed consolidated financial statements and the interim report complied with applicable accounting standards, relevant regulatory and legal requirements, and sufficient disclosure has been made.

Section IV Corporate Governance

(VI) Board of Directors

The Board currently comprises seven Directors, of whom Mr. Li Donglin is the chairman and an executive Director; Mr. Shang Jing is the vice chairman and an executive Director, Mr. Xu Shaolong is an executive Director, and Mr. Li Kaiguo, Mr. Zhong Ninghua, Mr. Lam Siu Fung and Ms. Feng Xiaoyun are independent non-executive Directors.

(VII) Subsequent Events

No other significant subsequent events occurred subsequent to 30 June 2024 and up to the date of this report.

Section V Environmental and Social Responsibilities

I. ENVIRONMENTAL INFORMATION

Whether an environmental protection mechanism has been established	Yes
Investment in environmental protection during the reporting period (unit: RMB0'000)	396

(I) Explanation on Environmental Protection of Companies and their Major Subsidiaries Classified as the Key Pollutant Discharging Units Announced by the Environmental Protection Department

☒ Applicable ☐ Not Applicable

The Company always upholds the EHS philosophy of “people-oriented, continuous improvement, green and environmental, health and safety”. In 2024, Zhuzhou CRRC Times Semiconductor Co., Ltd., a major subsidiary of the Company, has been identified as a key pollutant discharging unit as announced by the environmental protection department, and is required to publicise environmental protection information on the National Sewage Permit Management Information Platform on a monthly basis. Its waste water, waste gas and noise are discharged up to standard according to the corresponding discharge standards, and hazardous wastes are disposed of in accordance with laws and regulations. Its pollution prevention and control facilities are under normal operation.

1. Sewage discharge information

☒ Applicable ☐ Not Applicable

Zhuzhou CRRC Times Semiconductor Co., Ltd. entrusted third-party institutions with testing qualifications to conduct periodic testing of environmental pollution factors in each of the six months in the first half of 2024, and according to the testing results, all of its sewage was discharged up to standard and it satisfied 100% of the discharge standards. Besides, it disposed of hazardous wastes according to laws and regulations, and made declaration on Hunan Solid Waste Management Information Platform and generated the corresponding list. Zhuzhou CRRC Times Semiconductor Co., Ltd. paid the environmental tax in full in the first and second quarters of 2024.

Holder of sewage discharge permit	Issuer of sewage discharge permit	Sewage management category	Total sewage generated from January to June 2024 (0'000 tons)	Reclaimed water reused from January to June 2024 (0'000 tons)	Sewage disposed of from January to June 2024 (0'000 tons)	Sewage discharged from January to June 2024 (0'000 tons)	Hazardous waste disposed of from January to June 2024 (ton)
Zhuzhou CRRC Times Semiconductor Co., Ltd.	Zhuzhou Ecological Environment Bureau	Management focus	54.05	12.1447	54.05	54.05	897.9475

Section V Environmental and Social Responsibilities

2. *Construction and operation of pollution prevention and control facilities*

✓ Applicable ☐ Not Applicable

In the first half of 2024, Zhuzhou CRRC Times Semiconductor Co., Ltd. completed the technical enhancement project for its SiC chip production line. A new set of acidic waste gas scrubbing tower and an alkaline waste gas exhaust pipe were added to the fifth line for classified collection and treatment of acidic and alkaline waste gas. In the organic waste gas treatment system of the fifth line's waste gas treatment room, we added one front-end photocatalyst treatment system before each of the two activated carbon adsorption towers, thus establishing two "photocatalyst + activated carbon adsorption" treatment facilities. Five sets of "combustion + water washing" pretreatment units (POU) were added to the special gas and waste gas treatment system. The existing pollution prevention and control equipment and facilities were in normal operation.

3. *Environmental impact assessment of construction projects and other environmental protection administrative licensing*

✓ Applicable ☐ Not Applicable

In April 2024, Zhuzhou CRRC Times Semiconductor Co., Ltd. completed the environmental impact assessment of the industrialisation construction of medium and low voltage power devices (Zhuzhou), and in May, it completed the environmental impact assessment of the capacity improvement project of power component base materials and supporting components.

4. *Contingency plans for unexpected environment-related issues*

✓ Applicable ☐ Not Applicable

The Company has completed the preparation of the emergency environmental plan and filed with the local eco-environmental department, and also formulated the annual environmental emergency plan drill plan, and regularly carried out emergency drills and drills evaluation.

5. *Self-monitoring environmental program*

✓ Applicable ☐ Not Applicable

The Company ensures that all types of pollutants discharged from its processes, products and activities meet the relevant requirements, and engages third-party professional institutions to detect pollutants and issue reports to ensure the pollutants after being treated by environmental protection facilities are discharged up to standard. The Company actively advocates employees to save energy and strives to minimise the impact of its operations on environment. From January to June 2024, its waste water, waste gas and noise were discharged 100% up to standard, and hazardous wastes were disposed of 100% in accordance with laws and regulations.

6. *Administrative penalties due to environmental issues during the reporting period*

☐ Applicable ✓ Not applicable

From January to June 2024, the Company was not imposed on any penalties by relevant authorities due to violation of environmental regulations.

Section V Environmental and Social Responsibilities

7. Other discloseable environmental information

☒ Applicable ☐ Not Applicable

Pursuant to the requirements of local environmental authorities, subsidiaries of the Company disclose relevant environmental information through websites of local environmental authorities or corporate websites, and release periodic corporate social responsibility reports pursuant to the Environmental, Social and Governance Reporting Guide, in which environmental information is disclosed.

(II) Explanation on the Company's Environmental Protection Other Than Key Pollutant Discharging Unit

☒ Applicable ☐ Not Applicable

1. Administrative penalties due to environmental issues

☐ Applicable ☒ Not applicable

From January to June 2024, the Company was not imposed on any penalties by relevant authorities due to violation of environmental regulations.

2. Disclosure of other environmental information with reference to key pollutant discharge units

☒ Applicable ☐ Not Applicable

The Company and its subsidiaries subject to sewage discharge permits have regularly publicised environmental protection information in accordance with State requirements on sewage discharge, discharged waste water, waste gas and noise in line with corresponding standards, and disposed of hazardous waste in compliance with laws and regulations. Besides, the pollutant prevention facilities were under normal operation. The Company and its subsidiaries paid the environmental tax in full in the first and second quarters of 2024. Set out below is the information regarding disposal of major pollutants of units subject to sewage permit simplified management:

Holder of sewage discharge permit	Issuer of sewage discharge permit	Sewage discharge permit management category	Total sewage generated from January to June 2024 (0'000 tons)	Sewage disposed of from January to June 2024 (0'000 tons)	Sewage discharged from January to June 2024 (0'000 tons)
Zhuzhou CRRC Times Electric Co., Ltd.	Zhuzhou Ecological Environment Bureau	Registered management	8.25	8.25	8.25
Baoji CRRC Times Engineering Machinery Co., Ltd.	Baoji Ecological Environment Bureau Jintai Branch Bureau	Simplified management	1.73	1.73	1.73

3. Reasons for non-disclosure of other environmental information

☐ Applicable ☒ Not applicable

Section V Environmental and Social Responsibilities

(III) Explanation on Subsequent Progress or Change of Environmental Information Disclosed During the Reporting Period

☐ Applicable ☒ Not applicable

(IV) Relevant Information Conducive to Protecting Ecology, Preventing Pollution and Fulfilling Environmental Responsibilities

☒ Applicable ☐ Not Applicable

In the first half of 2024, according to the requirements of the local environmental protection department, the Company broadcast environmental protection slogans and videos on the big screen of the main factory to vigorously promote the importance of ecological environmental protection; and subscribed to and distributed environmental protection journals to relevant subsidiaries.

(V) Measures Taken to Reduce Carbon Emissions During the Reporting Period and Effects

Whether carbon reduction measures are adopted	Yes
Carbon dioxide emission reduction equivalent (unit: ton)	–
Types of carbon reduction measures (such as using clean energy for power generation, applying carbon reduction technologies in production process, developing and producing new products conducive to carbon reduction, etc.)	Developing and producing new products, using clean energy for power generation, formulating carbon emission calculation and management standards for key raw materials, spare parts and suppliers, conducting carbon inventory and carbon footprint research

Description

☒ Applicable ☐ Not Applicable

1. R&D and production of new products. The Company proactively responded to the “carbon peak and neutrality” strategy introduced by the State, and aspired to serve the global transportation and energy industries with an unswerving commitment to developing and manufacturing “intelligent, safe, green and comfortable” high-end equipment, so as to provide sufficient resource support for the R&D of new products and technologies. The Company launched technological enhancement initiatives in the fields of high-efficiency converters, new power devices, energy management, wind power generation and photovoltaic power generation, thereby contributing to energy conservation and carbon reduction. In the field of rail transit, the Company completed and installed the domestic first traction system using self-developed SiC devices on a line of Shenzhen Metro, based on a series of key technologies from independent design of chips and components to devices and system application. Thanks to the advantages such as high efficiency, low noise and lightweight, the energy-saving rate measured on the line exceeded 10%, supporting green and low-carbon development in the urban rail field. The domestic first hydrogen-powered catenary vehicle completed trial operation and passed the final acceptance inspection at Guoneng Xinshuo Railway Co., Ltd. Characterised by high energy utilization, “zero emissions” and low noise, it can reduce CO₂ emissions by more than 75 tons per vehicle annually, thus fundamentally eliminating exhaust emissions, especially the health impact of exhaust on construction workers during tunnel operations. Equipped with a straight-arm double-slewing unit with high flexibility and wide operating area, the all-in-one vehicle realises full coverage of catenary, tunnel and sound barrier maintenance area. The development of hydrogen-powered catenary vehicle marks a beneficial exploration and successful practice in accelerating green transformation of the production mode of heavy-haul railways.

Section V Environmental and Social Responsibilities

In the field of new energy power generation, the Company completed the development of 1+X modular centralised photovoltaic inverters, and comprehensively improved system efficiency, compatibility, grid friendliness and safety. With higher single-unit power, higher energy density, less investment costs and subsequent operation and maintenance costs, it has become a core tool for ground power plants to reduce costs and increase efficiency. The Company completed the development of offshore 20MW full-power and 12MW double-fed converters, filling the gap in offshore converters and reaching the domestic leading level. Regarding hydrogen production power supply units, the Company completed the planning and development of an IGBT hydrogen production power supply platform with higher efficiency, stronger grid adaptability and more flexible configuration. It has been applied in 15 market-oriented projects and adopted by 13 customers in their electrolytic cells, which cover ALK and PEM types with a capacity ranging from 200 to 2,000 standard cubic metres, to support the green hydrogen production industry.

2. Utilizing clean energy. In 2024, the Company further expanded its rooftop photovoltaic capacity by 3MW, with an annual power generation capacity of approximately 3 million kWh. Furthermore, we extended the intelligent model of “photovoltaics, energy storage and charging” integrated power supply system for industrial parks to newly built industrial parks such as the Carbon Peak and Neutrality Industrial Park of CRRC Electric Drive and Yixing Semiconductor Industrial Park. To fulfil its social responsibility and build a green and low-carbon industry chain with upstream and downstream ecological partners, the Company purchased over 5 million kWh of green electricity in the first half of the year under an annual plan of purchasing 18 million kWh of green electricity, which can reduce carbon emissions by approximately 10,000 tons.
3. Improving technologies in relation to energy conservation. The Company adjusted the paces and other indicators of bottleneck processes and equipment in its electric drive production line, to improve overall production efficiency of the production line. Operations and standby processes for high-temperature equipment such as curing furnace of the coating line, high-temperature testing tunnel furnace and soldering furnace were optimised to reduce electricity consumption of key energy-consuming equipment, which is expected to save approximately 1.2 million kWh of electricity annually. For air conditioning and lighting facilities which consumed the most energy in auxiliary offices, the Company launched a pilot project for renovating a part of facilities into smart air conditioning and lighting terminals. A series of self-control measures including smart air conditioning and lighting panels linked to human body sensors and remote timed switches were adopted, which is expected to save energy by 30%.
4. Carbon emission management. The Company continued to carry out corporate carbon inventory checks, and planned to further expand carbon footprint spectrum of its products to cover all major products, including new energy products. Suppliers of raw materials that are major carbon emission sources were reviewed, laying a solid foundation for our future efforts in green and low-carbon supply chain management.

II. DETAILS ON CONSOLIDATION AND EXPANSION OF ACHIEVEMENTS OF POVERTY ALLEVIATION AND INFORMATION ABOUT RURAL REVITALISATION

☐ Applicable ☒ Not applicable

Section VI Significant Events

I. THE PERFORMANCE OF UNDERTAKINGS

(I) Undertakings during or carried forward to the reporting period by the Company's actual controller, shareholders, related parties, acquirers and the Company and other relevant parties

✓ Applicable ☐ Not applicable

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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Undertakings associated with the initial public offering	Restricted shares	CRRC Group	CRRC Group has given the following undertakings in respect of shares lock-up: 1. within 36 months from the date of the A Shares Issue and Listing of Times Electric, Times Electric's domestic shares (transferred into A Shares upon the A Shares Issue and Listing, not including the A Shares newly purchased from the public market after the A Shares Issue and Listing of Times Electric, hereinafter referred to as the "Above Shares") directly or indirectly held by the group prior to the A Shares Issue and Listing shall not be transferred or entrusted to others for management, nor shall Times Electric be proposed to repurchase the Above Shares; 2. if the group reduces its holdings in the Above Shares directly or indirectly held by it within two years from the expiration of the lock-up period, the reduction price shall not be lower than the issue price. If the closing price of the A Shares for 20 consecutive trading days (except for all-day suspension of Times Electric's A Shares) is lower than the issue price of the A Shares Issue and Listing within six months after the A Shares Issue and Listing of Times Electric, or the closing price as at the end of six months after the A Shares Issue and Listing (if the day is not a trading day, it is the first trading day after that day) is lower than the issue price of the A Shares Issue and Listing, the lock-up period of the Above Shares directly or indirectly held by the group will be automatically extended for six months after the expiration of the above lock-up period. The issue price refers to the issue price of the A Shares Issue and Listing of Times Electric. If Times Electric performs ex-right and ex-dividend for reasons such as profit distribution, conversion of the reserve into share capital, additional issuance, placement etc. after the A Shares Issue and Listing, it shall do so in accordance with the relevant provisions of the Shanghai Stock Exchange; 3. if relevant laws, regulations and regulatory documents or securities regulatory authorities such as China Securities Regulatory Commission and Shanghai Stock Exchange have other requirements for the lock-up period of shares, the group agrees to adjust the lock-up period of the Above Shares directly or indirectly held by it accordingly; and 4. the group undertakes to assume all the loss caused to Times Electric and companies under its control and indemnify them for breaches of the above undertakings or relevant laws, regulations and regulatory documents.	28 December 2020	Yes	within 36 months from the date of the listing of Times Electric's A Shares	Yes	-	-
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Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Restricted shares	CRRC ZELRI, CRRC Zhuzhou, CRRC Asset Management	CRRC ZELRI, CRRC Zhuzhou and CRRC Asset Management have given the following undertakings in respect of shares lock-up: 1. within 36 months from the date of the A Shares Issue and Listing of Times Electric, Times Electric's domestic shares (transferred into A Shares upon the A Shares Issue and Listing, not including the A shares newly purchased by the company from the public market after the A Shares Issue and Listing of Times Electric, hereinafter referred to as the "Above Shares") directly or indirectly held by the company prior to the A Shares Issue and Listing shall not be transferred or entrusted to others for management, nor shall Times Electric be proposed to repurchase the Above Shares; 2. if the company reduces its holdings in the Above Shares held by it within two years from the expiration of the lock-up period, the reduction price shall not be lower than the issue price. If the closing price of the A Shares for 20 consecutive trading days (except for all-day suspension of Times Electric's A Shares) is lower than the issue price of the A Shares Issue and Listing within six months after the A Shares Issue and Listing of Times Electric, or the closing price as at the end of six months after the A Shares Issue and Listing (if the day is not a trading day, it is the first trading day after that day) is lower than the issue price of the A Shares Issue and Listing, the lock-up period of the Above Shares held by the company will be automatically extended for six months after the expiration of the above lock-up period. The issue price refers to the issue price of the A Shares Issue and Listing of Times Electric. If Times Electric performs ex-right and ex-dividend for reasons such as profit distribution, conversion of the reserve into share capital, additional issuance, placement etc. after the A Shares Issue and Listing, it shall do so in accordance with the relevant provisions of the Shanghai Stock Exchange; 3. if relevant laws, regulations and regulatory documents or securities regulatory authorities such as China Securities Regulatory Commission and Shanghai Stock Exchange have other requirements for the lock-up period of shares, the company agrees to adjust the lock-up period of the Above Shares held by it accordingly; and 4. the company undertakes to assume all the loss caused to Times Electric and companies under its control and indemnify them for breaches of the above undertakings or relevant laws, regulations and regulatory documents.	28 December 2020	Yes	Yes	-	-
						within 36 months from the date of the listing of Times Electric's A Shares		

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC ZELRI, CRRC Zhuzhou, CRRC Asset Management	<p>CRRC ZELRI, CRRC Zhuzhou and CRRC Asset Management have given the following undertakings in respect of intention of shareholding reduction: 1. the company will implement the relevant share lock-up matters in strict accordance with relevant laws and regulations, regulatory documents, requirements of securities regulatory authorities, and relevant undertakings given by the company;</p> <p>2. after the expiration of the lock-up period, the company will, according to its own needs, reduce its holdings of Times Electric's A Shares through methods such as centralised price bidding, block trade and transfer by agreement in accordance with relevant laws, regulations and regulatory documents in force at that time; 3. if the company reduces its holding of Times Electric's A Shares within two years from the expiration of the lock-up period, the total number of Times Electric's A Shares transferred each year shall not exceed the limit under relevant laws, regulations and regulatory documents in force at that time, and the reduction price shall not be lower than the issue price of the A Shares Issue and Listing of Times Electric. If Times Electric performs ex-right and ex-dividend for dividend payment, bonus issue, conversion of the reserve into share capital, additional issuance, placement etc. after the A Shares Issue and Listing and before the shareholding reduction of the company, the lower limit of the reduction price and the number of shares shall be adjusted accordingly; 4. when the company reduces its holdings in A Shares of Times Electric, it will publish an announcement in respect of the specific reduction plan in accordance with the law, and comply with relevant reduction methods, reduction ratio, reduction price, information disclosure and other requirements in accordance with relevant laws and regulations and regulatory documents such as the Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange (Shang Zheng Fa [2019] No. 22), the Several Provisions on Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Management of Listed Companies (China Securities Regulatory Commission Announcement [2017] No. 9) and the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies (Shang Zheng Fa [2017] No. 24), so as to ensure the reduction of Times Electric's A Shares complies with requirements of China Securities Regulatory Commission and Shanghai Stock Exchange; and 5. the company will strictly comply with the above undertakings, if the company reduces its holding of Times Electric's A Shares in breach of the above undertakings, the company will voluntarily turn over the proceeds from the reduction to Times Electric and agree that such proceeds shall belong to Times Electric. If the company fails to hand over the above-mentioned proceeds from irregular shareholding reduction to Times Electric, Times Electric shall have the right to withhold from the cash dividends payable to the company an amount equal to the company's proceeds from irregular shareholding reduction that should be turned over to it.</p>	28 December 2020	Yes	Yes	-	-

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		The Company, CRRC ZELRI and the Company's Directors	The Company, CRRC ZELRI (one of the controlling shareholders) and the Company's Directors (excluding independent non-executive Directors) and senior management have given the following undertakings in respect of A Shares price stabilisation measures:	28 December 2020	Yes	Yes	-	-
I. Conditions for Activation and Cessation of the Share Price Stabilisation Measures								
<p>1. Conditions for Activation of the Share Price Stabilisation Measures</p> <p>During the three years from the date of the A Shares Issue and Listing of the Company, other than as a result of force majeure, the implementation of the share price stabilisation measures by the Company and the relevant entities will be triggered when the daily closing price of the Company's A shares is lower than the publicly disclosed latest audited net assets per share of the Company (after the reference date of the latest audit, should there be any change in the net assets or the total number of shares of the Company as a result of matters such as profit allocation, capitalisation of capital reserve, issue of additional shares and placing, the net assets per share shall be adjusted accordingly, the same hereinafter) for 20 consecutive trading days (except for trading days on which trading of A shares of the Company is suspended for the whole day, the same hereinafter) while the requirements of the relevant laws, regulators and regulatory documents regarding the relevant repurchase and increase of the shareholding in the Company are satisfied.</p>								
<p>2. Conditions for Cessation of the Share Price Stabilisation Measures</p> <p>Upon satisfaction of the conditions for activation of the share price stabilisation measures, in the event that any of the following circumstances occurs, the formulated or announced share price stabilisation measures shall be terminated, and the share price stabilisation measures which have begun implementation shall be deemed to have been completed without the need for further implementation: 1. during or before the implementation of the specific share price stabilisation measures in the undertaking, where the closing price of the Company's A Shares is not lower than the latest audited net asset per share of the Company for five consecutive trading days; 2. continued implementation of the share price stabilisation measures will result in non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where shares of the Company are listed or violation of the relevant prohibitive regulations in force at the time, or the shareholding increase in the Company will trigger the general takeover bid obligations.</p>								

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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II. Specific Measures of the Share Price Stabilisation Plan

Upon satisfaction of the conditions for activation of the share price stabilisation measures, depending on the actual circumstances of the Company and the stock market, the share price stabilisation measures may be implemented in the following priority: 1. increase of shareholding in A Shares of the Company by the controlling shareholders of the Company; 2. repurchase of A Shares by the Company; 3. increase of shareholding in A Shares of the Company by the directors of the Company (excluding independent non-executive Directors, the same hereinafter) and the senior management of the Company.

- Share Price Stabilisation Measures by the Controlling Shareholders of the Company
 - Where the controlling shareholders increase shareholding in A Shares for the purpose of share price stabilisation, they shall do so in compliance with the provisions of the relevant laws, regulations and regulatory documents, including the Measures for the Administration of Acquisition of Listed Companies 《上市公司收购管理办法》 and the Guidelines on Shareholding Increase by Shareholders and Parties Acting in Concert of Listed Companies 《上市公司一致行动人增持股份行为指引》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.
 - Should the conditions for activating the share price stabilisation measures arise, the controlling shareholders of the Company shall notify the Company in writing of whether there is a specific plan to increase shareholding in A Shares of the Company within 20 trading days after the conditions for activation of the share price stabilisation measures are triggered, and the Company shall publish announcement(s) in this regard. If there is a specific plan, information such as the quantity of the shareholding in A Shares proposed to be increased, price range, source of capital, method and completion schedule shall be disclosed, and the total amount of proposed increase shall not be less than RMB100 million.

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
			<p>2. Share Price Stabilisation Measures by the Company</p> <p>(1) Where the Company repurchases A Shares for the purpose of A Shares price stabilisation, it shall do so in compliance with the relevant laws, regulations and regulatory documents, including the Administrative Measures for Repurchase of Public Shares by Listed Companies (Trial) (《上市公司回购社会公众股份管理办法(试行)》), the Supplementary Provisions on Share Repurchases by Listed Companies through Centralised Bidding (《關於上市公司以集中競價交易方式回購股份的補充規定》), the Opinions on Supporting Share Repurchase by Listed Companies (《關於支持上市公司回購股份的意見》) and the Detailed Rules for the Implementation of Share Repurchase by Listed Companies on Shanghai Stock Exchange (《上海證券交易所上市公司回購股份實施細則》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.</p> <p>(2) If the controlling shareholders fail to notify the aforementioned specific plan for shareholding increase in A Shares as scheduled, or explicitly indicates that there is no plan for shareholding increase in A Shares, the board of directors of the Company will announce whether there is a specific A Shares repurchase plan within 20 trading days after the conditions for activation of the share price stabilisation measures are triggered for the first time. If so, such information as the quantity of A Shares proposed to be repurchased, price range, source of capital, completion schedule, etc. of the shares to be repurchased, and the total amount of such repurchase shall not be less than RMB 100 million. The Company shall implement the share price stabilisation measures after performing the relevant procedures stipulated in relevant laws, regulations and regulatory documents and obtaining the necessary approval.</p>					

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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3. Share Price Stabilisation Measures by the Directors and Senior Management of the Company
 - (1) Where the Directors and senior management of the Company increase shareholding in A Shares for the purpose of A Shares price stabilisation, they shall do so in compliance with the conditions and requirements of the laws, regulations and regulatory documents, including the Measures for the Administration of Acquisition of Listed Companies (《上市公司收购管理办法》) and the Rules for the Administration of Shares and Changes in Shares Held by Directors, Supervisors and Senior Management of Listed Companies (《上市公司董事、监事和高级管理人员所持本公司股份及其变动管理规则》), and shall not lead to non-compliance of the shareholding structure of the Company with the listing conditions under the listing rules of the place(s) where the shares of the Company are listed.
 - (2) If the Board of Directors of the Company fails to announce the aforementioned A Shares repurchase plan as scheduled, or the aforementioned A Shares repurchase plan fails to be passed at the Board meeting or the general meeting due to various reasons, subject to compliance with the laws, regulations, the listing rules of the place(s) where shares of the Company are listed and relevant policy requirements, the then Directors and senior management of the Company shall, within 30 trading days (if there are N trading days during which the Directors and senior management are restricted from acquiring and selling A Shares, then the Directors and senior management shall, within 30+N trading days) after the conditions for activation of the A Share price stabilisation measures are triggered or within 10 trading days (if there are N trading days during which the Directors and senior management are restricted from acquiring and selling A Shares, then the Directors and senior management shall, within 10+N trading days) after the aforementioned A Share repurchase plan fails to be passed at the Board meeting or the general meeting, notify the Company in writing of the specific plan for shareholding increase in A Shares, and the Company shall publish announcement(s) on information including but not limited to the quantity of the shareholding in A Shares proposed to be increased, price range and completion schedule. The respective accumulated amount for shareholding increase by Directors and senior management shall not be less than 10% of their total remuneration (after tax) received from the Company in the previous year.

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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(3) The Directors and senior management personnel newly appointed by the Company within three years from the date of the A Shares Issue and Listing shall perform relevant obligations in accordance with the undertakings in respect of share price stabilisation given by the Directors and senior management as to the A Shares Issue and Listing.

4. The purpose of the Company's A Shares price stabilisation measures is not for the share price to exceed the net asset per share. Within 120 trading days after the implementation of the A Shares price stabilisation measures, the obligations of the controlling shareholders, the Company, the directors and senior management to increase their shareholdings in A Shares or repurchase will be automatically relieved. Commencing from the 121st trading day after the fulfilment of any discretionary increase or repurchase measures specified in the preceding three paragraphs, if the activation conditions for share price stabilisation measures are triggered again, the controlling shareholders, the Company, the Directors and senior management personnel will activate the next round of specific A Share price stabilisation measures according to the provisions of the preceding paragraphs.

5. The controlling shareholders, the Company, the Directors and senior management shall, when performing their repurchase or shareholding increase obligations of A Shares, fulfil the corresponding information disclosure obligations in accordance with the relevant laws, regulations, the listing rules of the place(s) where shares of the Company are listed and other applicable regulatory provisions, and shall comply with the relevant stipulations such as the regulation of state-owned assets.

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
III. Relevant Restraint Measures								
1. Restraint Measures for Violation of the Undertakings by the Controlling Shareholders of the Company								
<p>If the specific plan for the increase of shareholding in A Shares by the controlling shareholders of the Company has been announced but cannot be actually implemented due to subjective reasons, the Company shall withhold the cash dividends payable to the controlling shareholders in the amount equal to shareholding increase obligations of A Shares of such controlling shareholders, until the controlling shareholders have fulfilled their obligations for shareholding increase in A Shares. At the same time, the A Shares of the Company held by the controlling shareholders shall not be transferred until the controlling shareholders have adopted and implemented the corresponding A Shares price stabilisation measures in accordance with the provisions of the undertakings.</p>								
2. Restraint Measures for Violation of the Undertakings by the Company								
<p>If the Company has announced the A Shares repurchase plan of the Company but fails to actually implement it due to subjective reasons, the Company shall bear corresponding responsibilities according to the relevant laws, administrative regulations, departmental rules and regulations as well as the provisions of the listing rules of the place(s) where shares of the Company are listed and the requirements of regulatory authorities.</p>								
3. Restraint Measures for Violation of the Undertakings by the Directors and Senior Management of the Company								
<p>If the Directors and senior management of the Company fail to fulfil their obligations to increase their shareholdings in A Shares as agreed in the undertakings due to subjective reasons during their tenure, the Company shall freeze 30% of the monthly salary and cash dividends (if any) of the relevant personnel from the month when they fail to fulfil their agreed obligations and the accumulated frozen amount shall equal the amount payable to fulfil their obligations to increase their shareholdings in A Shares, until the relevant Directors and senior management have implemented and completed the corresponding share price stabilisation measures stipulated under the undertakings.</p>								

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
			<p>4. If the controlling shareholders, the Company, the Directors and senior management cannot fulfill their obligations of shareholding increase in A Shares or share repurchase within a certain period of time due to the minimum shareholding ratio of A Shares by public shareholders stipulated in the securities regulatory regulations such as the listing rules of the place(s) where the Company's shares are listed or other relevant prohibitive regulations, the relevant responsible subjects may be exempted from the aforementioned restraint measures, but other measures shall be actively taken to stabilise the price of the A Shares.</p>					
Others		The Company	<p>The Company's Measures and Undertakings in respect of Share Repurchase and Share Buy-back</p> <p>The issuer has given the following undertakings in respect of share repurchase and share buy-back:</p> <ol style="list-style-type: none"> 1. The Company undertakes that there are no false records, misleading statements or material omissions in the prospectus and other information disclosure materials of the Issuance, and shall bear corresponding legal responsibilities for its authenticity, accuracy and completeness. 2. In case of false records, misleading statements or material omissions in the prospectus and other information disclosure materials, or fraudulence in seeking approval on an originally unqualified IPO application which results in losses to shareholders and social public investors in trading securities of the Company, the Company shall bear civil compensation liabilities and compensate shareholders and social public investors for losses in accordance with the provisions of relevant laws, regulations and regulatory documents based on the final decision or effective judgment of the CSRC or the people's court and other competent departments. 3. Where the CSRC, Shanghai Stock Exchange or other competent departments determine that the information of the prospectus and other information disclosure materials contains any false records, misleading statements or material omissions which have a significant and substantial impact on judging whether the Company meets the issuance and listing conditions stipulated in laws, regulations and regulatory documents, the Company undertakes to repurchase all the A Shares issued under the Issuance in the manners set out below: 	28 December 2020	Yes	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
			<p>(1) To the extent as permitted by law, if the above-mentioned circumstances occur during the period when the A Shares under the issuance have been issued but yet to be listed, the Company shall repurchase all the A Shares issued by the Company from online successful subscribers and offline placement participants at the issue price plus the interest accrued thereon at the current bank deposit rate within 5 business days from the date on which the CSRC, Shanghai Stock Exchange or other competent departments determine that the above-mentioned circumstances have occurred to the Company.</p> <p>(2) To the extent as permitted by law, if the above-mentioned circumstances occur after the A Shares have been issued and listed, the Board of directors of the Company shall initiate the procedures for share repurchase within 10 business days from the date on which the CSRC, Shanghai Stock Exchange or other competent departments determine that the above-mentioned circumstances have occurred to the Company, to repurchase all the A Shares issued by the Company in accordance with the applicable laws, regulations, regulatory documents and the articles of association of the Company, at a price not lower than the issue price plus the interest accrued thereon at the current bank deposit rate during the relevant period from the date of issuance to the date of repurchase or other prices recognised by the CSRC (such prices shall be adjusted accordingly in case of ex-right and ex-dividend such as dividends, payout, bonus issue, transfer of capital reserve fund to share capital and rights issue).</p> <p>In the event that the aforesaid undertakings fail to be fulfilled, explicitly cannot be fulfilled or cannot be fulfilled on schedule, the Company shall publicly explain the specific reasons for such failure in the media designated by the CSRC, and apologise to shareholders and public investors. Shareholders and public investors shall have the right to require the Company to fulfill its undertakings through legal channels. If the Company fails to fulfill its undertakings and thus causes losses to shareholders and public investors, the Company shall make compensations according to law.</p>					

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC ZELRI	<p>CRRC ZELRI has given the following undertakings in respect of share repurchase and share buy-back:</p> <ol style="list-style-type: none"> 1. There are no false records, misleading statements or material omissions in the prospectus and other information disclosure materials of the Issuance of Times Electric, and the company shall bear corresponding legal responsibilities for its authenticity, accuracy and completeness. 2. In case of false records, misleading statements or material omissions in the prospectus and other information disclosure materials of Times Electric, or fraudulence in seeking approval on an originally unqualified IPO application which results in losses to other shareholders and social public investors in trading securities of Times Electric, the company shall bear civil compensation liabilities and compensate other shareholders and social public investors for losses in accordance with the provisions of relevant laws, regulations and regulatory documents based on the final decision or effective judgment of the CSRC or the people's court and other competent departments. 3. Where the CSRC, Shanghai Stock Exchange or other competent departments determine that the information of the prospectus and other information disclosure materials of Times Electric contains any false records, misleading statements or material omissions which have a significant and substantial impact on judging whether Times Electric meets the issuance and listing conditions stipulated in laws, regulations and regulatory documents, the company shall use its controlling shareholder status to urge Times Electric to repurchase all A Shares of Times Electric under the issuance in accordance with the law. <p>In the event that the aforesaid undertakings fail to be fulfilled, explicitly cannot be fulfilled or cannot be fulfilled on schedule, the company shall publicly explain the specific reasons for such failure in the media designated by the CSRC, and apologise to other shareholders of Times Electric and public investors. Other shareholders of Times Electric and public investors shall have the right to require the company to fulfill its undertakings through legal channels. If the company fails to fulfill its undertakings and thus causes losses to other shareholders of Times Electric and public investors, the company shall make compensations according to law.</p>	28 December 2020	Yes	long-term effective	Yes	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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Others

CRRC Group

CRRC Group has given the following undertakings in respect of share repurchase and share buy-back:

1. There are no false records, misleading statements or material omissions in the prospectus and other information disclosure materials of the Issuance of Times Electric, and the group shall bear corresponding legal responsibilities for its authenticity, accuracy and completeness.

2. In case of false records, misleading statements or material omissions in the prospectus and other information disclosure materials of Times Electric, or fraudulence in seeking approval on an originally unqualified IPO application which results in losses to shareholders of Times Electric and social public investors in trading securities of Times Electric, the group shall bear civil compensation liabilities and compensate shareholders of Times Electric and social public investors for losses in accordance with the provisions of relevant laws, regulations and regulatory documents based on the final decision or effective judgment of the CSRC or the people's court and other competent departments.

3. Where the CSRC, Shanghai Stock Exchange or other competent departments determine that the information of the prospectus and other information disclosure materials of Times Electric contains any false records, misleading statements or material omissions which have a significant and substantial impact on judging whether Times Electric meets the issuance and listing conditions stipulated in laws, regulations and regulatory documents, the group will urge Times Electric to repurchase all A Shares of Times Electric under the Issuance in accordance with the law.

In the event that the aforesaid undertakings fail to be fulfilled, explicitly cannot be fulfilled or cannot be fulfilled on schedule, the group shall publicly explain the specific reasons for such failure in the media designated by the CSRC, and apologise to shareholders of Times Electric and public investors. Shareholders of Times Electric and public investors shall have the right to require the group to fulfill its undertakings through legal channels. If the group fails to fulfill its undertakings and thus causes losses to shareholders of Times Electric and public investors, the group shall make compensations according to law.

Yes

long-term effective

Yes

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		The Company	<p>The Company has given the following undertakings in respect of no-fraud in the issuance and listing.</p> <ol style="list-style-type: none"> 1. The Company guarantees that there is no fraud in the issuance. 2. In the event that the Company does not meet the issuance and listing conditions, seeks approval on an originally unqualified IPO application and has completed issuance and listing, the Company shall initiate the share repurchase procedure within 5 business days after confirmation by the China Securities Regulatory Commission and other competent departments to repurchase all the new shares under the public offering of the Company. 	28 December 2020	Yes	Yes	-	-
Others		CRRC ZELRI	<p>CRRC ZELRI has given the following undertakings in respect of no-fraud in the issuance and listing.</p> <ol style="list-style-type: none"> 1. The company guarantees that there is no fraud in the issuance of Times Electric. 2. In the event that Times Electric does not meet the issuance and listing conditions, seeks approval on an originally unqualified IPO application and has completed issuance and listing, the company shall initiate the share repurchase procedure within 5 business days after confirmation by the China Securities Regulatory Commission and other competent departments to repurchase all the new shares under the public offering of Times Electric. 	28 December 2020	Yes	Yes	-	-
Others		CRRC Group	<p>CRRC Group has given the following undertakings in respect of no-fraud in the issuance and listing.</p> <ol style="list-style-type: none"> 1. The group guarantees that there is no fraud in the issuance of Times Electric. 2. In the event that Times Electric does not meet the issuance and listing conditions, seeks approval on an originally unqualified IPO application and has completed issuance and listing, the group shall initiate the share repurchase procedure within 5 business days after confirmation by the China Securities Regulatory Commission and other competent departments to repurchase all the new shares under the public offering of Times Electric. 	28 December 2020	Yes	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		The Company	The Company has given the following undertaking in respect of remedial measures for dilution of immediate returns as a result of the issue and listing: the Company undertakes that it will adopt measures after the A Shares issue and listing to continuously strengthen technological research and development and product innovation, improve operation and management efficiency, strengthen management over the raised proceeds, reinforce investor return mechanism, increase sales revenue and future yields and enhance shareholder returns, so as to remedy the dilution of immediate returns due to the A Shares Issue and Listing.	28 December 2020	Yes	Yes	-	-
Others		CRRC ZELRI	CRRC ZELRI has given the following undertakings on the remedial measures for dilution of immediate returns in respect of the Issue and Listing: <ol style="list-style-type: none"> The company will strictly implement various laws, regulations and rules on the governance of listed companies to protect the interests of Times Electric and the public shareholders, and will not overstep their authority to interfere with the operation and management activities of Times Electric. The company undertakes not to encroach on the interests of Times Electric in any way, and will abide by relevant laws and regulations and regulatory documents. The company undertakes to strictly perform the above undertakings given by it. If the company has violated the undertakings or refuse to perform the undertakings, the company will perform explanation, apology and other corresponding obligations in accordance with the Guidance on Matters Related to Dilution of Immediate Returns as a result of Initial Issue, Refinancing and Major Asset Reorganisation (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) and other relevant regulations, and agrees to the regulatory measures or self-discipline regulatory measures made by China Securities Regulatory Commission, Shanghai Stock Exchange and China Association for Public Companies in accordance with the law. If losses are caused to Times Electric or other shareholders of Times Electric, the company is willing to be liable for corresponding compensation liabilities according to law. 	28 December 2020	Yes	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC Group	CRRC Group has given the following undertakings on the remedial measures for dilution of immediate returns in respect of the Issue and Listing: 1. The group will strictly implement various laws, regulations and rules on the governance of listed companies to protect the interests of Times Electric and the public shareholders, and will not overstep their authority to interfere with the operation and management activities of Times Electric. 2. The group undertakes not to encroach on the interests of Times Electric in any way, and will abide by relevant laws and regulations and regulatory documents. 3. The group undertakes to strictly perform the above undertakings given by it. If the group has violated the undertakings or refuse to perform the undertakings, the group will perform explanation, apology and other corresponding obligations in accordance with the Guidance on Matters Related to Dilution of Immediate Returns as a result of Initial Issue, Refinancing and Major Asset Reorganisation (《關於首次發行融資、重大資產重組籌購期間回報有關事項的指導意見》) and other relevant regulations, and agrees to the regulatory measures or self-discipline regulatory measures made by China Securities Regulatory Commission, Shanghai Stock Exchange and China Association for Public Companies in accordance with the law. If losses are caused to Times Electric or shareholders of Times Electric, the group is willing to be liable for corresponding compensation liabilities according to law.	28 December 2020	Yes	long-term effective	Yes	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		The Directors and senior management of the Company	<p>The Directors and senior management of the Company have given the following undertakings on the remedial measures for dilution of immediate returns in respect of the Issue and Listing:</p> <ol style="list-style-type: none"> undertake not to transfer benefits to other units or individuals free of charge or under unfair conditions, and not to damage the Company's interests by other means; undertake to restrict the post consumption behaviour of directors and senior management; undertake not to appropriate the Company's assets to engage in investment and consumption activities unrelated to the performance of their duties; undertake to actively promote the improvement of the Company's salary system and render it more in line with the requirements of remedies for dilution of immediate returns; support the linkage between the remuneration system and the implementation of the Company's remedial measures for dilution of immediate returns as formulated by the Board of directors or the remuneration committee, and strictly abide by such systems; undertake to actively support the linkage between the exercise conditions of equity incentive and the implementation of the Company's remedial measures for dilution of immediate returns in case that the Company establishes an equity incentive plan (if any); I will strictly abide by the remedial measures formulated by the Company, and will actively take all necessary and reasonable measures to urge the implementation of the remedial measures formulated by the Company within the scope of my authority according to the relevant regulations issued by the CSRC, the Shanghai Stock Exchange and other regulatory agencies in the future; after the date of issue of these undertakings and before the completion of the A Shares Issue and Listing, if the CSRC or the Shanghai Stock Exchange separately promulgate new regulatory provisions on the remedial measures for dilution of immediate returns and the undertakings thereof, and if the above undertakings cannot meet the requirements of the CSRC or the Shanghai Stock Exchange, I promise to issue supplementary undertakings in accordance with the provisions of the CSRC or the Shanghai Stock Exchange. 	28 December 2020	Yes	long-term effective	Yes	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Profit distribution	The Company	<p>The Company has given the following undertakings in respect of profit distribution policies:</p> <p>The Company will distribute profits to shareholders in strict accordance with the profit distribution policies stipulated by relevant laws and regulations, the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd., and Three-year Distribution Plan for Shareholders after the Initial Public Issue and Listing of A Shares on the Science and Technology Innovation Board of Zhuzhou CRRC Times Electric Co., Ltd., and strictly implement the review procedures for the profit distribution plan. If the violation of the above undertakings causes losses to the investors, the Company shall be liable to the investors according to law.</p>	28 December 2020	Yes	Yes	-	-
	Others	The Company	<p>The Company has given the following undertakings in respect of compensation under the law or compensation liabilities:</p> <p>1. There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, and the Company shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus and other information disclosure materials.</p> <p>2. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, the Company shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur.</p> <p>3. Where there were discrepancies in the requirements among the laws, regulations, regulatory documents, the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the related liabilities and consequences liable for as a result of breach of the above undertakings by the Company, the Company shall voluntarily and unconditionally abide by such requirements.</p>	28 December 2020	Yes	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC ZELRI	<p>CRRC ZELRI has given the following undertakings in respect of compensation under the law or compensation liabilities:</p> <ol style="list-style-type: none"> There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials; and CRRC ZELRI shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus and other information disclosure materials. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, the company shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur. Where there were discrepancies in the requirements among the laws, regulations, regulatory documents, the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the related liabilities and consequences liable for as a result of breach of the above undertakings by the company, the company shall voluntarily and unconditionally abide by such requirements. 	28 December 2020	Yes	long-term effective	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Others	CRRC Group	CRRC Group has given the following undertakings in respect of compensation under the law or compensation liabilities: 1. There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, and CRRC Group shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus and other information disclosure materials. 2. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, the group shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur.	28 December 2020	Yes	long-term effective	Yes	-
			3. Where there were discrepancies in the requirements among the laws, regulations, regulatory documents, the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the related liabilities and consequences liable for as a result of breach of the above undertakings by the group, the group shall voluntarily and unconditionally abide by such requirements.					

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		Directors, supervisors and senior management of the Company	<p>The Directors, supervisors and senior management of the Company have given the following undertakings in respect of compensation under the law or compensation liabilities:</p> <ol style="list-style-type: none"> There are no false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials; and I shall bear corresponding legal responsibilities for the authenticity, accuracy and completeness of the contents contained in the prospectus. In case of false records, misleading statements or material omissions in the contents contained in the prospectus and other information disclosure materials, which results in losses to investors in the issue and trading of securities, I shall bear civil compensation liabilities and compensate investors for losses in accordance with the provisions of relevant laws and regulations. The amount of the compensation for such losses shall be limited to the direct losses actually incurred by the investors. The specific compensation standard, scope of compensation subject, amount of compensation and other details shall be determined according to the final compensation scheme or the way or amount determined by the China Securities Regulatory Commission, Shanghai Stock Exchange or judicial authorities when the above situations actually occur. Where there were discrepancies in the requirements among the laws, regulations, regulatory documents, the CSRC or stock exchanges in respect of the related liabilities and consequences liable for as a result of breach of the above undertakings by me, I shall voluntarily and unconditionally abide by such requirements. 	28 December 2020	Yes	long-term effective	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		The Company	<p>The Company agrees to take the following restrictive measures in case that it fails to fulfill the relevant public undertakings:</p> <ol style="list-style-type: none"> Where the relevant undertakings made publicly by the Company in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If the Company violates such undertakings, the Company agrees to take the restrictive measures already specified in the undertakings. Where the relevant undertakings made publicly by the Company in the prospectus do not contain restrictive measures and the Company fails to fully or effectively fulfill such undertakings due to reasons other than force majeure, it agrees to adopt the following restrictive measures: <ol style="list-style-type: none"> The Company shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to shareholders and social public investors on newspapers designated by the general meeting, the Shanghai Stock Exchange and China Securities Regulatory Commission; The Company shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities; If shareholders and social public investors suffer losses in securities trading due to the Company's failure to fulfill the above undertakings, the Company shall compensate shareholders and social public investors for the losses according to law; The Company shall not raise the salary or allowance in any form to the Directors, supervisors and senior management personnel who are personally responsible for the Company's failure to fulfill relevant undertakings until the Company has completely eliminated the adverse effects caused by the failure to fulfill relevant undertakings; Other measures available for adoption according to the then prevailing regulations. 	28 December 2020	Yes	long-term effective	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC ZELRI	<p>CRRC ZELRI agrees to take the following restrictive measures in case that it fails to fulfill the relevant public undertakings:</p> <ol style="list-style-type: none"> Where the relevant undertakings made publicly by the company in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If the company violates such undertakings, the company agrees to take the restrictive measures already specified in the undertakings. Where the relevant undertakings made publicly by the company in the prospectus do not contain restrictive measures and the company fails to fully or effectively fulfill such undertakings due to reasons other than force majeure, it agrees to adopt the following restrictive measures: <ol style="list-style-type: none"> The company shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to other shareholders of Times Electric and social public investors on newspapers designated by the Shanghai Stock Exchange and China Securities Regulatory Commission; The company shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities; If other shareholders of Times Electric and social public investors suffer losses in securities trading due to the company's failure to fulfill the above undertakings, the company shall compensate other shareholders of Times Electric and social public investors for the losses according to law; Other measures available for adoption according to the then prevailing regulations. 	28 December 2020	Yes	long-term effective	Yes	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC Group	CRRC Group agrees to take the following restrictive measures in case that it fails to fulfill the relevant public undertakings: 1. Where the relevant undertakings made publicly by the group in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If the group violates such undertakings, the group agrees to take the restrictive measures already specified in the undertakings. 2. Where the relevant undertakings made publicly by the group in the prospectus do not contain restrictive measures and the group fails to fully or effectively fulfill such undertakings due to reasons other than force majeure, it agrees to adopt the following restrictive measures: (1) The group shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to shareholders of Times Electric and social public investors on newspapers designated by the Shanghai Stock Exchange and China Securities Regulatory Commission; (2) The group shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities; (3) If shareholders of Times Electric and social public investors suffer losses in securities trading due to the group's failure to fulfill the above undertakings, the group shall compensate shareholders of Times Electric and social public investors for the losses according to law; (4) Other measures available for adoption according to the then prevailing regulations.	28 December 2020	Yes	Yes	-	-

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Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		Directors, supervisors and senior management of the Company	<p>The Directors, supervisors and senior management of the Company agree to take the following restrictive measures in case that it fails to fulfill the relevant public undertakings:</p> <ol style="list-style-type: none"> Where the relevant undertakings made publicly by me in the prospectus already contain restrictive measures, such restrictive measures specified in the undertakings shall prevail. If I violate such undertakings, I agree to take the restrictive measures already specified in the undertakings. Where the relevant undertakings made publicly by me in the prospectus do not contain restrictive measures and I fail to fully or effectively fulfill such undertakings due to reasons other than force majeure, I agree to adopt the following restrictive measures: <ol style="list-style-type: none"> I shall publicly explain the specific reasons for failure to fulfill its undertakings and apologise to shareholders and social public investors on newspapers designated by the general meeting, the Shanghai Stock Exchange and China Securities Regulatory Commission; I shall assume corresponding responsibilities in accordance with the provisions of relevant laws and regulations and the requirements of regulatory authorities; If shareholders and social public investors suffer losses in securities trading due to my failure to fulfill the above undertakings, I shall compensate shareholders and social public investors for the losses according to law; If I receive the salary from Times Electric, I agree that Times Electric can stop paying the salary to me and use it directly to perform my unfulfilled undertakings or to compensate for the loss caused to Times Electric and its shareholders by my unfulfilled undertakings; Other measures available for adoption according to the then prevailing regulations. 	28 December 2020	Yes	Yes	-	-

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others		CRRC ZELRI	CRRC ZELRI has given the following undertakings in respect of avoiding appropriation of funds: 1. As of the date of the letter of undertakings, the company and the companies under its control (excluding Times Electric and companies under the control of Times Electric) have not appropriated the funds of Times Electric and companies under its control for non-operating purposes. 2. The company undertakes that from the date of the undertakings, the company and companies under its control will not appropriate the funds of Times Electric and companies under the control of Times Electric through borrowing, debt repayment (on their behalf), advance payment or any other means, and will strictly abide by the relevant provisions of laws and regulations on the corporate governance of listed companies to avoid capital transactions with Times Electric and companies under its control that are not related to normal production and operation. Times Electric shall not be required to provide any form of guarantee in violation of regulations to the company and companies under its control. 3. The company undertakes that if the company violates the above undertakings which prejudice the interests of Times Electric or other shareholders of Times Electric, the company is willing to assume all the responsibilities arising therefrom, and fully indemnify or compensate Times Electric or other shareholders of Times Electric for actual losses caused to them.	28 December 2020	Yes	long-term effective	Yes	-	-

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Others	CRRC Group	CRRC Group	CRRC Group has given the following undertakings in respect of avoiding appropriation of funds: 1. As of the date of the letter of undertakings, the group and the companies under its control (excluding Times Electric and companies under the control of Times Electric) have not appropriated the funds of Times Electric and companies under its control for non-operating purposes. 2. The group undertakes that from the date of the undertakings, the group and companies under its control will not appropriate the funds of Times Electric and companies under the control of Times Electric through borrowing, debt repayment (on their behalf), advance payment or any other means, and will strictly abide by the relevant provisions of laws and regulations on the corporate governance of listed companies to avoid capital transactions with Times Electric and companies under its control that are not related to normal production and operation. Times Electric shall not be required to provide any form of guarantee in violation of regulations to the group and companies under its control. 3. The group undertakes that if the group violates the above undertakings which prejudice the interests of Times Electric or its shareholders, the group is willing to assume all the responsibilities arising therefrom, and fully indemnify or compensate Times Electric or its shareholders for actual losses caused to them.	28 December 2020	Yes	long-term effective	Yes	-	-

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
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Related Party Transactions	CRRC ZELRI	CRRC ZELRI	CRRC ZELRI has given the undertakings in respect of regulating related party transactions, details of which are as follows: 1. The company and companies under its control (excluding Times Electric and companies under its control, the same hereinafter) shall try their best to avoid unnecessary related party transactions with Times Electric and companies under its control. 2. For the unavoidable related party transactions related to the business activities of Times Electric and companies under its control, the company and companies under its control will strictly abide by the relevant requirements of laws and regulations and regulatory documents on related party transactions, and will conduct transactions with Times Electric and companies under its control at fair prices based on the principles of equality and mutual benefit, good faith, compensation of equal value, and fairness and reasonableness, so as to ensure that the legitimate rights and interests of Times Electric and other shareholders of Times Electric will not be harmed, and the profits of Times Electric will not be transferred through related party transactions, and that the legitimate rights and interests of Times Electric and other shareholders of Times Electric will not be impaired by exerting influence on the business decisions of Times Electric. 3. The company will not take advantage of its controlling shareholder status to seek any favorable conditions or benefits over independent third parties for the company and companies under its control from Times Electric and companies under its control in terms of business operations and other aspects. 4. The company undertakes to indemnify Times Electric and companies under its control against all actual loss, damage and expenses suffered/occurred for breach by the company and companies under its control of any clause of the undertakings, and to bear the corresponding liabilities in accordance with the law.	28 December 2020	Yes	long-term effective	Yes	-
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Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Related Party Transactions	CRRC Group	CRRC Group has given the undertakings in respect of regulating related party transactions, details of which are as follows: <ol style="list-style-type: none"> The group and companies under its control (excluding Times Electric and companies under its control, the same hereinafter) shall try their best to avoid unnecessary related party transactions with Times Electric and companies under its control. For the unavoidable related party transactions related to the business activities of Times Electric and companies under its control, the group and companies under its control will strictly abide by the relevant requirements of laws and regulations and regulatory documents on related party transactions, and will conduct transactions with Times Electric and companies under its control at fair prices based on the principles of equality and mutual benefit, good faith, compensation of equal value, and fairness and reasonableness, so as to ensure that the legitimate rights and interests of Times Electric and its shareholders will not be harmed, and the profits of Times Electric will not be transferred through related party transactions, and that the legitimate rights and interests of Times Electric and its shareholders will not be impaired by exerting influence on the business decisions of Times Electric. The group will not take advantage of its significant influence on Times Electric to seek any favorable conditions or benefits over independent third parties for the group and companies under its control from Times Electric and companies under its control in terms of business operations and other aspects. The group undertakes to indemnify Times Electric and companies under its control against all actual loss, damage and expenses suffered/occurred for breach by the group and companies under its control of any clause of the undertakings, and to bear the corresponding liabilities in accordance with the law. 	28 December 2020	Yes	Yes	-	-

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
	Non-competition undertakings	CRRC Group	<p>CRRC Group has given the undertakings in respect of non-competition, details of which are as follows:</p> <p>1. The group is a wholly state-owned company established on the basis of former China Northern Locomotive & Rolling Stock Industry (Group) Corporation (中國北方機車車輛工業集團公司) merging former CSR Group (中國南車集團公司). There is certain business overlapping between the holding company of former China Northern Locomotive & Rolling Stock Industry (Group) Corporation and Times Electric (including its subsidiaries, the same hereinafter). After the completion of the merger, there are certain business overlapping between other enterprises controlled by the group and Times Electric.</p> <p>2. At present, in the fields of traction converter systems, power supply systems, communication signal systems, rail engineering machinery and electronic components, other enterprises controlled by the group have certain businesses competing with Times Electric. There is no unfair competition, transfer of benefits, mutual or unilateral transfer of business opportunities between these enterprises and Times Electric, and nor is there competition that has a significant adverse impact on Times Electric. The group will strengthen the supervision and coordination of the aforesaid businesses competing with Times Electric, so as to avoid such competing businesses from having a material adverse impact on the businesses of Times Electric. In the field of vacuum sanitation systems, other enterprises controlled by the group have certain businesses competing with Times Electric. Times Electric, in combination with its own business development, has decided to stop the production of all vacuum sanitation system products after completing all sales contracts related to vacuum sanitation systems that are currently in effect, and will no longer sign any new sales contracts related to vacuum sanitation systems, nor will it explore new business opportunities in the field of vacuum sanitation systems or carry out this business in the future.</p>	20 December 2020	Yes	Yes	-	-
						the letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when CRRC Group is the indirect controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci-Tech Innovation Board.		

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
			3. Except for the above circumstances, the group and other enterprises controlled by it are not currently engaged in any business that competes with the principal operating activities of Times Electric.					
			4. In the future, the group will not take advantage of its status as the indirect controlling shareholder of Times Electric to carry out business activities that prejudice the interests of Times Electric and its shareholders, and will take legal and effective measures to prevent the group and other enterprises controlled by the group from creating competition with Times Electric.					
			5. If the group or other enterprises controlled by it violate the above undertakings causing Times Electric to suffer any economic losses, the group undertakes to be liable for compensation of the actual economic losses of Times Electric.					
			6. The letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when the group is the indirect controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci-Tech Innovation Board.					

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Term	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Non-competition undertakings		CRRC ZELRI	CRRC ZELRI has given the undertakings in respect of non-competition, details of which are as follows:	20 December 2020	Yes	the letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when CRRC ZELRI is the direct controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci-Tech Innovation Board.	Yes	-	-
			<ol style="list-style-type: none"> As of the date of the letter of undertakings, the company and companies under its control (excluding Times Electric and companies under its control, the same hereinafter) have not directly or indirectly engaged in any business or activity that competes with the principal activities of Times Electric and companies under its control within or outside China. The company and companies under its control will continue not to directly or indirectly engage in any business or activity that competes with the principal activities of Times Electric and companies under its control within and outside China in the future. 						

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
			<p>3. If the company or companies under its control identify any new business opportunity that competes or is likely to compete with the principal activities of Times Electric and companies under its control, it will immediately notify Times Electric in writing and try its best to procure that these business opportunities are first provided to Times Electric and companies under its control on reasonable and fair terms and conditions, so as to ultimately exclude the company and companies under its control from participating in the actual management or obtaining operation right of assets/equity/business involved in these business opportunities, thereby avoiding the competition with the principal activities engaged by Times Electric and companies under its control.</p> <p>4. If the company or companies under its control violate the above undertakings causing Times Electric to suffer any economic losses, the company undertakes to be liable for compensation of the actual economic losses of Times Electric.</p> <p>5. The letter of undertakings takes effect from the date of issuance, and will continue to be effective during the period when the company is the direct controlling shareholder of Times Electric and the A Shares of Times Electric continue to be listed and traded on the Sci-Tech Innovation Board.</p>					

Section VI Significant Events

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Other Undertakings	Non-competition undertakings	CRRC	In respect of the undertaking of non-competition with Zhuzhou CSR Times Electric Co., Ltd., CRRC undertakes that with respect to the operations of CRRC that compete with the operations of the Company: (1) CRRC will grant the Company a call option, pursuant to which the Company will be entitled to elect, at its own discretion, when to request CRRC to sell the competing businesses of CRRC to it; (2) CRRC will further grant the Company a pre-emptive right, pursuant to which if CRRC proposes to sell the competing business to an independent third party, CRRC shall offer to the Company the competing business first on the same terms and conditions, and the sale to an independent third party may only be effected after the Company refuses to purchase the competing business; (3) the decision of the Company to exercise the aforesaid call option and the pre-emptive right shall be made by the independent non-executive Directors of the Company; (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 the Company respectively; and (5) the non-competition undertaking will be effective from the date of issuance of the letter of undertaking to the time when the Company is de-listed or CRRC ceases to be an indirect controlling shareholder of the Company.	5 August 2015	Yes	Yes	-	-
						from the date of issuance of the letter of undertaking to the time when the Company is de-listed or CRRC ceases to be an indirect controlling shareholder of the Company		

Note 1: Both the "Group" and the "Company" stated in the undertakings contained in this section represent the party/parties giving the undertakings.

2: Based on the confidence in the future development prospects of Times Electric and the high recognition of the value of the Company, in order to further promote the sustainable and stable development of Times Electric and safeguard the interests of investors, CRRC ZELRI undertakes to voluntarily extend the lock-up period of 589,585,699 shares acquired before the initial public offering and listing of Times Electric held by it; and voluntarily extend the lock-up period for 12 months from the date of expiration of the lock-up period on 7 September 2024 to 6 September 2025. For details, please refer to the "Announcement of Zhuzhou CRRC Times Electric Co., Ltd. on Voluntary Extension of Lock-up Period of Shares by Controlling Shareholders" (Announcement No.: 2023-044) disclosed by the Company on the website of the SSE on 18 October 2023.

Section VI Significant Events

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

☐ Applicable ☒ Not applicable

III. ILLEGAL GUARANTEES

☐ Applicable ☒ Not applicable

IV. AUDIT OF THE INTERIM REPORT

☐ Applicable ☒ Not applicable

V. CHANGES AND TREATMENT OF MATTERS SUBJECT TO NON-STANDARD AUDIT OPINIONS IN LAST YEAR'S ANNUAL REPORT

☐ Applicable ☒ Not applicable

VI. MATTERS RELEVANT TO WINDING UP AND SCHEME OF ARRANGEMENT

☐ Applicable ☒ Not applicable

VII. MATERIAL LITIGATION AND ARBITRATION MATTERS

☐ The Company had involved in material litigation and arbitration during the reporting period ☒ The Company had not involved in any material litigation and arbitration during the reporting period

VIII. INFORMATION ON BREACH OF LAWS AND REGULATIONS, PENALTIES, RECTIFICATION AND REFORM IN RESPECT OF THE LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS OR ACTUAL CONTROLLER

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Section VI Significant Events

X. MAJOR CONTRACTS AND THEIR PERFORMANCE

(I) Entrustment, contracting and leasing matters

☐ Applicable ☒ Not applicable

(II) Major guarantees performed and outstanding during the reporting period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)															
Guarantor	Relationship between the guarantor and the listed company		Guaranteed party	Amount guaranteed	Date of guarantee (date of agreement)			Type of guarantee	Principal debt (if any)	Whether the guarantee has been performed			Counter guarantee	Whether a related-party guarantee relationship	
	company	party			date of guarantee	Expiry date of guarantee				has been performed	Overdue or not	Amount overdue		related-party guarantee	Related relationship

Total guarantee incurred during the reporting period (excluding those provided for subsidiaries) 0

Total balance of guarantee as at the end of the reporting period (A) (excluding those provided for subsidiaries) 0

Guarantees provided by the Company and its subsidiaries for subsidiaries													
Guarantor	Relationship between the guarantor and the listed company		Guaranteed party	Amount guaranteed	Date of guarantee (date of agreement)			Type of guarantee	Whether the guarantee has been performed		Overdue or not	Amount overdue	Whether there is counter guarantee
	listed company				date of guarantee	Commencement date of guarantee	Expiry date of guarantee						

Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Soil Machine Dynamics Limited	Wholly-owned subsidiary	226,075,000.00	2023/10/12	2023/10/12	2024/10/12	Joint liability guarantee	No	No	No	0	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Specialist Machine Developments (Shanghai) Co., Ltd.	Wholly-owned subsidiary	31,152,000.00	2024/4/25	2024/4/25	2025/6/13	Joint liability guarantee	No	No	No	0	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Specialist Machine Developments (Shanghai) Co., Ltd.	Wholly-owned subsidiary	4,990,410.39	2024/6/4	2024/6/4	2024/11/6	Joint liability guarantee	No	No	No	0	No

Total guarantee to subsidiaries incurred during the reporting period 36,142,410.39

Total balance of guarantee to subsidiaries as at the end of the reporting period (B) 262,217,410.39

Section VI Significant Events

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

Aggregate guarantee (A+B)	262,217,410.39
Percentage of aggregate guarantee to net assets of the Company (%)	0.71
Representing:	
Amount of guarantee provided for shareholders, actual controller and related parties (C)	Not applicable
Amount of debt guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)	226,075,000.00
Excess amount of aggregate guarantee over 50% of net assets (E)	Not applicable
Aggregate amount of the above three categories (C+D+E)	226,075,000.00
Description of the contingent joint and several repayment liability in connection with unexpired guarantee	Not applicable
Description of guarantee	The guarantees provided to subsidiaries were considered and approved at the sixth meeting of the seventh session of the Board on 28 March 2024.

(III) Other material contracts

☐ Applicable ☒ Not applicable

XI. EXPLANATION ON PROGRESS IN USE OF PROCEEDS

☒ Applicable ☐ Not applicable

(I) Overall utilisation of proceeds

☒ Applicable ☐ Not applicable

Unit: Yuan

Source of proceeds	Date of receiving the proceeds	Total proceeds	Net proceeds after deducting issue expenses (1)	Total promised investment amounts of proceeds stated in the prospectus or offering memorandum (2)	Total surplus proceeds (3)=(1)-(2)	Total accumulated investment amount of proceeds as of the end of the reporting period (4)	Including: total accumulated investment amount of surplus proceeds as of the end of the reporting period (5)	Progress of accumulated investment of proceeds as of the end of the reporting period (%) (6)=(4)/(1)	Progress of accumulated investment of surplus proceeds as of the end of the reporting period (%) (7)=(5)/(3)	Investment amount for the period (8)	Percentage of investment amount for the period (%) (9)=(8)/(1)	Total proceeds with change in purposes
Initial public issue on the STAR Market	1 September 2021	7,555,057,430	7,443,212,046	7,443,212,046	/	5,449,575,035	0	73.22	Not applicable	518,264,498	6.96	0
Total	/	7,555,057,430	7,443,212,046	7,443,212,046	/	5,449,575,035	0	73.22	/	518,264,498	6.96	

Section VI Significant Events

(II) Particulars of investment projects to be financed with raised proceeds

✓ Applicable ☐ Not applicable

1. Breakdown of use of proceeds

✓ Applicable ☐ Not applicable

Unit: Yuan

Source of proceeds	Name of project	Project nature	Whether a promised investment project stated in the prospectus or offering memorandum	Change of the project or not	Planned total investment with proceeds (1)	Investment during the reporting period	Total accumulated investment amount of the end of the reporting period (2)	Progress of accumulated investment as of the end of the reporting period (%) (3)=(2)/(1)	Date of the projects becoming ready for intended use or not	Whether the progress of investment is in line with the planned schedule or not	Specific reason for failure to reach the planned schedule of investment	Economic benefits achieved during the reporting period	Economic benefits or research results achieved for the project	Whether feasibility of projects changes significantly, if yes, please state specific reason	Amount of balance
Initial public issue on the STAR Market	Application project of rail transit traction and network technology and system	R&D	Yes	No	2,095,500,000	200,416,595	1,646,700,890	78.58	2026	No	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	The application project on key technologies and system R&D of smart railway bureau and smart urban rail transit	R&D	Yes	No	1,070,830,000	197,242,823	622,582,662	58.14	2026	No	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	Advanced technology R&D application project of new industry	R&D	Yes	No	869,270,000	15,238,766	558,519,980	64.25	2026	No	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	R&D and manufacturing platform construction project of new-type rail engineering machinery	R&D	Yes	No	800,000,000	39,964,892	528,973,335	66.12	2025	No	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	Innovative experimental platform construction project	Production and construction	Yes	No	931,000,000	70,401,422	411,437,582	44.19	2025	No	Not applicable	Not applicable	Not applicable	No	Not applicable
Initial public issue on the STAR Market	Replenishment of working capital	Replenishment of working capital and repayment of debt	Yes	No	1,676,612,046	0	1,681,360,586	100.28	Not applicable	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Total	/	/	/	/	7,443,212,046	518,264,498	5,449,575,035	73.22	/	/	/	/	/	/	/

At the 10th meeting of the seventh session of the Board and the 7th meeting of the seventh session of the Supervisory Committee held on 23 August 2024, the Resolution on Construction Delay of Certain Investment Projects, Introducing New Implementation Subjects to Certain Investment Projects, Granting Loans to Such New Implementation Subjects with Raised Proceeds to Implement Investment Projects and Adjustment of Investments and Loans with Raised Proceeds to Different Implementation Subjects for the Same Investment Project was considered and approved, pursuant to which, the Company has been approved to adjust the time of the project becoming ready for intended use of the R&D and implementation project of the new energy vehicle electric drive system under the advanced technology R&D application project of new industry to 2026, provided that the use and amount of the proceeds shall remain unchanged.

2. Breakdown of use of surplus proceeds

☐ Applicable ☒ Not applicable

Section VI Significant Events

(III) Explanation on the change or termination of use of proceeds during the reporting period

☐ Applicable ☒ Not applicable

(IV) Other particulars of use of proceeds during the reporting period

1. Initial investment and replacement with funds raised

☐ Applicable ☒ Not applicable

2. Temporarily supplement liquidity with idle proceeds

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

Unit: RMB0'000 Currency: RMB

Date of Board meeting for consideration	Valid limit considered for cash management	Date of commencement	Expiry date	Balance of cash management as at the end of the reporting period	Whether the maximum balance exceeded the authorised limit during the reporting period
22 August 2023	320,000	22 August 2023	21 August 2024	166,000	No

Other explanations

At the third meeting of the seventh session of the Board and the second meeting of the seventh session of the Supervisory Committee held on 22 August 2023, the Resolution on Utilisation of Certain Temporarily Idle Proceeds for Cash Management was considered and approved, pursuant to which, the Company was approved to conduct cash management regarding certain temporarily idle proceeds with an amount of up to RMB3,200 million (inclusive) with a term of 12 months from the date of approval by the Board provided that the construction progress of the projects to be financed by the proceeds and the Company's normal operation are not prejudiced and capital safety can be assured. Within the aforesaid amount and term of authorisation, the funds can be used on a rolling basis.

Section VI Significant Events

In order to improve the utilisation efficiency of the proceeds, rationally use idle proceeds, increase income from the cash assets and maximise shareholders' interests, the Company used certain temporarily idle proceeds to purchase cash management products. The specific cash management products during the reporting period were as follows:

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	360,000,000	2022/10/13	2025/10/13	Expected to be 3.00%	Undue	No
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	100,000,000	2023/9/27	2024/3/22	3.00%	1,454,795	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Structured deposit	70,000,000	2023/9/29	2024/1/1	2.45%	441,671	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	60,000,000	2023/10/10	2024/1/10	2.50%	378,082	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	170,000,000	2023/10/13	2024/1/11	2.84%	1,202,227	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	33,000,000	2023/10/12	2024/1/12	1.24%	103,125	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	16,000,000	2023/10/25	2024/1/25	1.24%	50,000	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	176,000,000	2023/11/3	2024/2/1	2.83%	1,243,864	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	440,000,000	2023/11/24	2024/2/26	2.58%	2,918,316	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	220,000,000	2023/11/29	2024/3/1	2.21%	826,222	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	40,000,000	2023/11/30	2024/3/1	1.49%	150,222	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	110,000,000	2023/12/29	2024/3/28	3.13%	859,722	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	60,000,000	2023/12/11	2024/3/11	2.35%	351,534	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	20,000,000	2023/12/25	2024/1/25	2.35%	39,918	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	10,000,000	2023/12/25	2024/1/25	2.35%	19,959	Yes

Section VI Significant Events

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	45,000,000	2023/12/29	2024/3/28	3.12%	350,075	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Structured deposit	240,000,000	2024/1/6	2024/4/5	2.05%	1,213,151	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	40,000,000	2024/1/31	2024/3/1	2.57%	87,359	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	220,000,000	2024/1/31	2024/4/30	2.83%	1,551,452	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	40,000,000	2024/2/8	2024/3/11	2.70%	97,464	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	20,000,000	2024/2/8	2024/5/8	2.86%	142,392	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	500,000,000	2024/2/28	2024/5/31	2.38%	3,028,360	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	50,000,000	2024/1/26	2024/4/27	1.14%	143,750	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	15,000,000	2024/2/8	2024/3/11	2.65%	35,929	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	90,000,000	2024/2/8	2024/5/8	2.86%	641,441	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	50,000,000	2024/1/2	2024/1/31	2.35%	93,356	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	100,000,000	2024/1/2	2024/3/29	2.40%	572,055	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	50,000,000	2024/3/20	2024/4/19	1.51%	62,055	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	90,000,000	2024/3/20	2024/6/20	2.42%	555,781	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	60,000,000	2024/3/28	2024/7/1	Expected to be 1.20%-2.39%	Undue	No

Section VI Significant Events

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	170,000,000	2024/4/1	2024/7/1	Expected to be 1.49%-4.23%	Undue	No
China CITIC Bank Zhuzhou Tiantailu Branch	Structured deposit	160,000,000	2024/4/26	2024/7/25	Expected to be 1.05%-2.40%	Undue	No
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	20,000,000	2024/4/30	2024/7/31	Expected to be 1.50%	Undue	No
China Merchants Bank Zhuzhou Branch	Structured deposit	130,000,000	2024/5/10	2024/8/12	Expected to be 1.59%-2.60%	Undue	No
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	115,000,000	2024/5/15	2024/11/11	Expected to be 1.82%-3.86%	Undue	No
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	70,000,000	2024/5/15	2024/8/13	Expected to be 1.54%-4.09%	Undue	No
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	40,000,000	2024/5/31	2024/7/1	Expected to be 1.49%-3.87%	Undue	No
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	45,000,000	2024/5/31	2024/8/29	Expected to be 1.54%-4.09%	Undue	No
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	440,000,000	2024/6/6	2024/9/9	Expected to be 1.20%-2.39%	Undue	No
China Merchants Bank Zhuzhou Branch	Structured deposit	4,000,000	2024/6/11	2024/7/12	Expected to be 1.51%-2.40%	Undue	No
China Merchants Bank Zhuzhou Branch	Structured deposit	20,000,000	2024/6/11	2024/9/13	Expected to be 1.59%-2.30%	Undue	No
China Merchants Bank Zhuzhou Branch	Structured deposit	20,000,000	2024/6/17	2024/9/18	Expected to be 1.59%-2.30%	Undue	No
China Merchants Bank Zhuzhou Branch	Structured deposit	6,000,000	2024/6/17	2024/7/17	Expected to be 1.51%-2.25%	Undue	No

4. Others

☐ Applicable ☒ Not applicable

XII. EXPLANATION OF OTHER SIGNIFICANT EVENTS

☐ Applicable ☒ Not applicable

Section VII Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

Unit: Share

	Before changes		Changes for the period (+, -)					After changes	
	Number of shares	Percentage (%)	New shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	Number of shares	Percentage (%)
I. Shares subject to trading moratorium	608,966,468	43.00	-	-	-	-	-	608,966,468	43.14
1. State-owned shares	-	-	-	-	-	-	-	-	-
2. State-owned legal person shares	608,966,468	43.00	-	-	-	-	-	608,966,468	43.14
3. Other domestic shareholding	-	-	-	-	-	-	-	-	-
Of which: Domestic non-state-owned legal person shares	-	-	-	-	-	-	-	-	-
Domestic natural person shares	-	-	-	-	-	-	-	-	-
4. Foreign shareholding	-	-	-	-	-	-	-	-	-
Of which: Overseas legal person shares	-	-	-	-	-	-	-	-	-
Overseas natural person shares	-	-	-	-	-	-	-	-	-
II. Circulating shares not subject to trading moratorium	807,270,444	57.00	-	-	-	-4,696,800	-4,696,800	802,573,644	56.86
1. RMB ordinary shares	259,941,044	18.35	-	-	-	-	-	259,941,044	18.42
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	547,329,400	38.65	-	-	-	-4,696,800	-4,696,800	542,632,600	38.44
4. Others	-	-	-	-	-	-	-	-	-
III. Total number of shares	1,416,236,912	100.00	-	-	-	-4,696,800	-4,696,800	1,411,540,112	100

2. Explanation on changes in shares

✓Applicable ☐Not applicable

During the period from 11 January 2024 to 17 January 2024, the Company repurchased a total of 4,696,800 H Shares on the Hong Kong Stock Exchange, and cancelled the same on 16 April 2024. Accordingly, the issued shares of the Company decreased by 4,696,800 H Shares to 1,411,540,112 shares (including 542,632,600 H Shares and 868,907,512 A Shares).

Section VII Changes in Shares and Particulars of Shareholders

3. *The impact of changes in shares subsequent to the end of the reporting period and up to the date of this interim report (if any) on financial indicators such as earnings per share and net assets per share*

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

(II) **Changes in shares subject to trading moratorium**

☐ Applicable ☒ Not applicable

II. SHAREHOLDERS

(I) **Total Number of Shareholders:**

Total number of ordinary shareholders as at the end of the reporting period (account)	16,516
Total number of shareholders of preference shares with restored voting rights as at the end of the reporting period (account)	Not applicable
Total number of shareholders holding shares with special voting rights as at the end of the reporting period (account)	Not applicable

Note: As at the end of the reporting period, the Company had 15,462 A shareholders and 1,054 registered H shareholders.

Number of depositary receipt holders

☐ Applicable ☒ Not applicable

Section VII Changes in Shares and Particulars of Shareholders

(II) Particulars of Shareholdings of the Top Ten Shareholders and the Top Ten Shareholders Not Subject to Trading Moratorium as at the End of the Reporting Period

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

✓Applicable ☐ Not applicable

Unit: Share

Particulars of shareholdings of the top ten shareholders (Number of restricted shares excluding lending shares for securities financing)								
Name of shareholders (full name)	Increase/ decrease of shareholding during the reporting period	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Number of restricted shares including lending shares for securities financing	Shares pledged, marked or frozen	Status of shares	Nature of shareholders
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	–	591,000,716	41.87	589,585,699	589,585,699	None	–	State-owned legal person
HKSCC NOMINEES LIMITED ^{Note 1}	-4,673,800	541,316,466	38.35	–	–	Unknown	–	Overseas legal person
Hong Kong Securities Clearing Company Limited	-2,701,453	26,498,358	1.88	–	–	Unknown	–	Overseas legal person
China Merchants Bank Co., Ltd. – China AMC SSE STAR 50 Exchange Traded Fund (招商銀行股份有限公司—華夏上證科創板 50成份交易型開放式指數證券投資基金)	-1,528,438	20,052,422	1.42	–	–	Unknown	–	Unknown
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	0	10,000,000	0.71	10,000,000	10,000,000	None	–	State-owned legal person
CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司)	0	9,800,000	0.69	–	–	None	–	State-owned legal person
Industrial and Commercial Bank of China Limited – eFunds SSE STAR 50 Exchange Traded Fund (中國工商銀行股份有限公司—易方達上證科創板 50成份交易型開放式指數證券投資基金)	2,567,121	9,518,112	0.67	–	–	Unknown	–	Unknown
CRRC Asset Management Co., Ltd. (中車資產管理有限公司)	0	9,380,769	0.66	9,380,769	9,380,769	None	–	State-owned legal person
CRRC Fund Management (Beijing) Co., Ltd. – Beijing Maohuan Rail Transit Industry Investment Management Partnership (Limited Partnership) (中車基金管理(北京)有限公司—北京懋煥軌道 交通產業投資管理合夥企業(有限合夥))	-2,322,362	5,606,893	0.40	–	–	Unknown	–	Others
Portfolio 110, National Social Insurance Fund (全國社保基金一一零組合)	-187,929	4,144,552	0.29	–	–	Unknown	–	Unknown

Section VII Changes in Shares and Particulars of Shareholders

Particulars of shareholdings of the top ten shareholders not subject to trading moratorium (excluding shares lent for securities financing and shares held by senior management in lock-up period)			
Name of shareholders	Number of circulating shares held not subject to trading moratorium	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED	541,316,466	Overseas listed foreign shares	541,316,466
Hong Kong Securities Clearing Company Limited	26,498,358	RMB ordinary shares	26,498,358
China Merchants Bank Co., Ltd. – China AMC SSE STAR 50 Exchange Traded Fund (招商銀行股份有限公司 — 華夏上證科創板50成份交易型開放式指數證券投資基金)	20,052,422	RMB ordinary shares	20,052,422
CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司)	9,800,000	RMB ordinary shares	9,800,000
Industrial and Commercial Bank of China Limited – efunds SSE STAR 50 Exchange Traded Fund (中國工商銀行股份有限公司—易方達上證科創板 50成份交易型開放式指數證券投資基金)	9,518,112	RMB ordinary shares	9,518,112
CRRC Fund Management (Beijing) Co., Ltd. – Beijing Maohuan Rail Transit Industry Investment Management Partnership (Limited Partnership) (中車基金管理(北京)有限公司 — 北京懋恒軌道交通產業投資管理合夥企業(有限合夥))	5,606,893	RMB ordinary shares	5,606,893
Portfolio 110, National Social Insurance Fund (全國社保基金——零組合)	4,144,552	RMB ordinary shares	4,144,552
Zhuzhou State-owned Assets Investment Holding Group Co., Ltd. (株洲市國有資產投資控股集團有限公司)	4,006,571	RMB ordinary shares	4,006,571
CITIC Investment Holdings Limited (中信投資控股有限公司)	3,958,888	RMB ordinary shares	3,958,888
Hunan Rail Transit Holding Group Co., Ltd. (湖南軌道交通控股集團有限公司)	3,958,888	RMB ordinary shares	3,958,888
Guohua Investment Development Asset Management (Beijing) Co., Ltd. (國華投資開發資產管理(北京)有限公司)	3,958,888	RMB ordinary shares	3,958,888

Section VII Changes in Shares and Particulars of Shareholders

Particulars of shareholdings of the top ten shareholders not subject to trading moratorium
(excluding shares lent for securities financing and shares held by senior management in lock-up period)

Name of shareholders	Number of circulating shares held not subject to trading moratorium	Type and number of shares	
		Type	Number
Explanation on the repurchase accounts among the top ten shareholders	Not applicable		
Explanation on the aforesaid shareholders entrusting voting rights, being entrusted with voting rights, and waiving voting rights	Not applicable		
Explanation on the related party relationship or acting-in-concert arrangement among the above shareholders	<p>CRRC Zhuzhou Institute Co., Ltd. is a direct controlling shareholder of the Company. CRRC Corporation Limited, as the shareholder holding 100% equity interests in CRRC Zhuzhou Institute Co., Ltd., CRRC Zhuzhou Locomotive Co., Ltd., CRRC Asset Management Co., Ltd. and CRRC Hong Kong Capital Management Co., Ltd., indirectly held a total of 610,381,485 RMB ordinary shares of the Company through CRRC Zhuzhou Institute Co., Ltd., CRRC Zhuzhou Locomotive Co., Ltd. and CRRC Asset Management Co., Ltd., and indirectly held 65,460,000 overseas listed foreign shares of the Company through CRRC Hong Kong Capital Management Co., Ltd. CRRC Corporation Limited indirectly held a total of 47.88% shareholding in the Company.</p>		
Explanation on the preference shareholders with voting rights restored and their shareholdings	Not applicable		

Note 1: HKSCC NOMINEES LIMITED holds the H Shares on behalf of several customers.

Section VII Changes in Shares and Particulars of Shareholders

Shares lent by shareholders with over 5% shareholding, top ten shareholders and top ten shareholders not subject to trading moratorium engaged in refinancing business

✓Applicable ☐Not applicable

Unit: Share

Shares lent by shareholders with over 5% shareholding, top ten shareholders and top ten shareholders not subject to trading moratorium engaged in refinancing business								
Name of shareholder (full name)	Opening shareholding through ordinary accounts and credit accounts		Shares lent for refinancing business as at the beginning of the period and yet to be returned		Closing shareholding through ordinary accounts and credit accounts		Shares lent for refinancing business as at the end of the period and yet to be returned	
	Total number	Proportion (%)	Total number	Proportion (%)	Total number	Proportion (%)	Total number	Proportion (%)
Zhuzhou State-owned Assets Investment Holding Group Co., Ltd. (株洲市國有資產投資控股集團有限公司)	7,871,470	0.56	201,600	0.01	4,006,571	0.28	215,700	0.02
China Merchants Bank Co., Ltd. – China AMC SSE STAR 50 Exchange Traded Fund (招商銀行股份有限公司－華夏上證科創板50成份交易型開放式指數證券投資基金)	21,580,860	1.52	723,700	0.05	20,052,422	1.42	366,700	0.03
Industrial and Commercial Bank of China Limited – efunds SSE STAR 50 Exchange Traded Fund (中國工商銀行股份有限公司－易方達上證科創板50成份交易型開放式指數證券投資基金)	6,950,991	0.49	455,900	0.03	9,518,112	0.67	215,900	0.02

Changes in shareholding of top ten shareholders and top ten shareholders not subject to trading moratorium due to shares lent/returned for refinancing business

✓Applicable ☐Not applicable

Unit: Share

Changes in shareholding of top ten shareholders and top ten shareholders not subject to trading moratorium due to shares lent/returned for refinancing business					
Name of shareholder (full name)	Investment/exit during the reporting period	Number of shares lent for refinancing business and yet to be returned as at the end of the period		Number of shares held through ordinary accounts, credit accounts and yet to be returned after being lent for refinancing business	
		Total number	Proportion (%)	Total number	Proportion (%)
Zhuzhou State-owned Assets Investment Holding Group Co., Ltd. (株洲市國有資產投資控股集團有限公司)	Exit	215,700	0.02	4,222,271	0.03

Section VII Changes in Shares and Particulars of Shareholders

Number of shares held by the top ten shareholders subject to trading moratorium and conditions of such trading moratorium

✓Applicable ☐ Not applicable

Unit: Share

No.	Name of shareholders subject to trading moratorium	Shares subject to trading moratorium available for listing and trading			Conditions of trading moratorium
		Number of shares held subject to trading moratorium	Time available for listing and trading	Number of additional shares available for listing and trading	
1	CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	589,585,699	7 September 2025 (deferred to the next trading day in the case of a non-trading date)	-	36 months from the date on which the Company's shares are listed on the SSE + 12-month voluntary extension in the lock-up period
2	CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	10,000,000	7 September 2024 (deferred to the next trading day in the case of a non-trading date)	-	36 months from the date on which the Company's shares are listed on the SSE
3	CRRC Asset Management Co., Ltd. (中車資產管理有限公司)	9,380,769	7 September 2024 (deferred to the next trading day in the case of a non-trading date)	-	36 months from the date on which the Company's shares are listed on the SSE
Explanation on the related party relationship or acting-in-concert arrangement among the above shareholders		CRRC Zhuzhou Institute Co., Ltd. is a direct controlling shareholder of the Company. CRRC Corporation Limited holds the 100% equity interests in CRRC Zhuzhou Institute Co., Ltd., CRRC Zhuzhou Locomotive Co., Ltd. and CRRC Asset Management Co., Ltd.			
		Save as aforementioned, the Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.			

Particulars of the top ten domestic depositary receipts holders of the Company as at the end of the reporting period

☐ Applicable ☒ Not applicable

Shares lent by depositary receipts holders with over 5% shareholding, top ten depositary receipts holders and top ten depositary receipts holders not subject to trading moratorium engaged in refinancing business

☐ Applicable ☒ Not applicable

Changes in shareholding of top ten depositary receipts holders and top ten depositary receipts holders not subject to trading moratorium due to shares lent/returned for refinancing business

☐ Applicable ☒ Not applicable

Number of shareholdings of the top ten holders of depositary receipts subject to trading moratorium and conditions of such trading moratorium

☐ Applicable ☒ Not applicable

Section VII Changes in Shares and Particulars of Shareholders

(III) Particulars of Top Ten Shareholders with Voting Rights as at the End of the Reporting Period

☐ Applicable ☒ Not applicable

(IV) Top 10 Shareholders from Strategic Investors or General Legal Persons Participating in the Placing of the New Shares/Depositary Receipts

☐ Applicable ☒ Not applicable

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

As at 30 June 2024, so far as is known to the Directors, the following persons (other than the Directors, the supervisors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of substantial shareholders	Class of shares	Number of shares held	Capacity	Approximate percentage of A Shares	Approximate percentage of H Shares	Approximate percentage of total issued shares of the Company
CRRC ZELRI	A Shares	591,000,716 (Long position)	Beneficial owner	68.02%	–	41.87%
CRRC ^(Note 1)	A Shares	610,381,485 (Long position)	Interest in controlled entity	70.25%	–	43.24%
	H Shares	65,460,000 (Long position)	Interest in controlled entity	–	12.06%	4.64%
CRRC Group ^(Note 2)	A Shares	610,381,485 (Long position)	Interest in controlled entity	70.25%	–	43.24%
	H Shares	65,460,000 (Long position)	Interest in controlled entity	–	12.06%	4.64%
CRRC Hong Kong Capital Management Co., Limited	H Shares	65,460,000 (Long position)	Beneficial owner	–	12.06%	4.64%
JPMorgan Chase & Co.	H Shares	3,743,089 (Long position)	Interest in controlled entity	–	0.69%	0.27%
		2,068,718 (Short position)	Interest in controlled Entity	–	0.38%	0.15%
		54,371,676 (Long position)	Investment manager	–	10.02%	3.85%
		878,200 (Long position)	Secured equity holder	–	0.16%	0.06%
		5,948,966 (Long position)	Approved lending agent	–	1.10%	0.42%

Section VII Changes in Shares and Particulars of Shareholders

Name of substantial shareholders	Class of shares	Number of shares held	Capacity	Approximate percentage of A Shares	Approximate percentage of H Shares	Approximate percentage of total issued shares of the Company
Citigroup Inc	H Shares	7,223,754	Interest in controlled	–	1.33%	0.51%
		(Long position)	entity			
		697,593	Interest in controlled	–	0.13%	0.05%
		(Short position)	entity			
		40,030,994	Approved lending	–	7.38%	2.84%
		(Lending pool	agent			
		shares – Long				
		position)				

Notes: As at 30 June 2024, the number of issued shares of the Company was 1,411,540,112 shares, including 542,632,600 H Shares and 868,907,512 A Shares.

1. CRRC is interested in 100% of the registered capital of CRRC ZELRI, CRRC Zhuzhou and CRRC Asset Management. Accordingly, CRRC is deemed under the SFO to be interested in the shares held by each of CRRC ZELRI, CRRC Zhuzhou and CRRC Asset Management. CRRC is interested in 65,460,000 H Shares through CRRC Hong Kong Capital Management Co., Limited, a wholly-owned subsidiary of CRRC.
2. CRRC Group is directly and indirectly interested in 51.45% of the shares of CRRC. Accordingly, CRRC Group is deemed under the SFO to be interested in the shares held by CRRC.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any persons (other than the Directors, the supervisors or chief executives of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

Section VII Changes in Shares and Particulars of Shareholders

IV. INFORMATION OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

(I) Changes in Shareholding of Current and Resigned Directors, Supervisors, Senior Management and Core Technicians During the Reporting Period

☐Applicable ☒Not applicable

Other explanations

☐Applicable ☒Not applicable

(II) The Equity Incentives Granted to the Directors, Supervisors, Senior Management and Core Technicians During the Reporting Period

1. *Stock option*

☐Applicable ☒Not applicable

2. *The first type of restricted stocks*

☐Applicable ☒Not applicable

3. *The second type of restricted stocks*

☐Applicable ☒Not applicable

(III) Other Explanations

☐Applicable ☒Not applicable

Section VII Changes in Shares and Particulars of Shareholders

V. CHANGES IN THE CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

VII. SHARES WITH SPECIAL VOTING RIGHTS

☐Applicable ☒Not applicable

Section VIII Preference Shares

☐ Applicable ☒ Not applicable

Section IX Corporate Bonds

I. ENTERPRISE BONDS, CORPORATE BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES OF THE COMPANY

☐ Applicable ☒ Not applicable

II. CONVERTIBLE BONDS OF THE COMPANY

☐ Applicable ☒ Not applicable

Section X Financial Report

I. AUDITOR'S REPORT

☐ Applicable ☒ Not applicable

II. FINANCIAL STATEMENTS

Consolidated balance sheet

30 June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	30 June 2024	31 December 2023
Current assets:			
Cash and bank balances	VII.1	10,788,369,571	7,903,177,340
Held-for-trading financial assets	VII.2	3,491,174,764	4,776,392,878
Bills receivable	VII.3	986,313,390	2,376,882,219
Accounts receivable	VII.4	12,653,604,811	9,635,843,983
Trade receivables financing	VII.6	4,785,280,641	4,511,551,119
Prepayments	VII.7	635,044,301	747,928,959
Other receivables	VII.8	258,174,784	232,027,285
Including: Interest receivable		—	—
Dividends receivable		—	—
Inventories	VII.9	6,053,725,615	5,442,956,796
Contract assets	VII.5	512,332,036	389,029,590
Non-current assets due within one year	VII.10	2,195,380,486	1,100,449,970
Other current assets	VII.11	707,462,540	398,732,487
Total current assets		43,066,862,939	37,514,972,626

Section X Financial Report

Item	Note	30 June 2024	31 December 2023
Non-current assets:			
Long-term receivables		3,020,776	3,547,297
Long-term equity investments	VII.12	562,582,805	533,411,204
Other equity instrument investments	VII.13	233,249,992	233,249,992
Fixed assets	VII.14	5,195,773,860	5,232,528,832
Construction in progress	VII.15	3,197,950,382	1,261,506,969
Right-of-use assets	VII.16	267,746,614	281,434,472
Intangible assets	VII.17	1,308,361,094	1,370,822,759
Development expenditure	VIII.2	256,961,796	275,456,352
Goodwill	VII.18	230,284,543	231,444,095
Long-term prepaid expenses	VII.19	24,013,301	28,694,796
Deferred tax assets	VII.20	1,088,246,673	854,774,053
Other non-current assets	VII.21	6,501,130,222	5,583,003,940
Total non-current assets		18,869,322,058	15,889,874,761
Total assets		61,936,184,997	53,404,847,387
Current liabilities:			
Short-term loans	VII.23	338,073,829	396,922,553
Bills payable	VII.24	4,518,179,933	3,949,818,779
Accounts payable	VII.25	6,998,839,406	6,188,520,178
Contract liabilities	VII.26	1,010,258,295	740,517,135
Employee benefits payable	VII.27	394,508,299	204,231,552
Taxes payable	VII.28	290,862,127	217,755,649
Other payables	VII.29	2,819,948,208	1,145,345,758
Including: Interest payable		—	—
Dividends payable		1,101,276,287	—
Non-current liabilities due within one year	VII.30	800,923,801	497,130,061
Other current liabilities	VII.31	130,296,909	91,909,989
Total current liabilities		17,301,890,807	13,432,151,654

Section X Financial Report

Item	Note	30 June 2024	31 December 2023
Non-current liabilities:			
Long-term loans	VII.32	678,302,100	631,943,386
Lease liabilities	VII.33	176,765,176	197,058,403
Long-term payables	VII.34	4,685,835	5,096,031
Provisions	VII.35	718,540,028	600,778,624
Deferred income	VII.36	478,089,290	777,841,769
Deferred tax liabilities	VII.20	32,975,153	37,998,740
Other non-current liabilities		4,279,012	5,447,898
Total non-current liabilities		2,093,636,594	2,256,164,851
Total liabilities		19,395,527,401	15,688,316,505
Owners' (Shareholders') equity:			
Paid-in capital (or share capital)	VII.37	1,411,540,112	1,416,236,912
Capital reserve	VII.38	12,722,676,711	10,511,448,364
Other comprehensive income	VII.39	-237,981,212	-255,631,350
Special reserve	VII.40	108,820,190	86,022,310
Surplus reserve	VII.41	3,153,659,247	3,153,659,247
Retained earnings	VII.42	22,360,060,827	21,954,221,096
Total equity attributable to owners (shareholders) of the parent company		39,518,775,875	36,865,956,579
Non-controlling interests		3,021,881,721	850,574,303
Total owners' (shareholders') equity		42,540,657,596	37,716,530,882
Total liabilities and (owners') shareholders' equity		61,936,184,997	53,404,847,387

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section X Financial Report

The Company's balance sheet

30 June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	30 June 2024	31 December 2023
Current assets:			
Cash and bank balances		6,726,000,815	4,423,518,111
Held-for-trading financial assets		2,999,742,818	4,454,436,527
Bills receivable		599,777,501	2,059,380,413
Accounts receivable	XIX.1	10,758,424,894	7,532,037,356
Trade receivables financing		2,902,577,858	3,277,573,192
Prepayments		247,555,902	275,775,265
Other receivables	XIX.2	884,994,388	1,028,279,958
Including: Interest receivable		—	—
Dividends receivable		225,000	284,000,000
Inventories		4,361,062,425	3,068,975,784
Contract assets		185,132,966	124,703,793
Non-current assets due within one year		2,195,380,486	1,100,449,970
Other current assets		91,331,908	44,283,789
Total current assets		31,951,981,961	27,389,414,158
Non-current assets:			
Long-term receivables		1,340,682,570	1,253,525,113
Long-term equity investments	XIX.3	10,798,703,210	10,796,562,546
Other equity instrument investments		233,249,992	233,249,992
Fixed assets		1,494,327,194	1,393,005,563
Construction in progress		709,025,358	573,086,412
Right-of-use assets		102,028,329	93,791,140
Intangible assets		400,214,256	408,173,892
Development expenditures		115,372,217	135,118,519
Long-term prepaid expenses		5,743,152	6,391,977
Deferred tax assets		282,502,322	257,890,582
Other non-current assets		2,821,215,756	4,256,214,288
Total non-current assets		18,303,064,356	19,407,010,024
Total assets		50,255,046,317	46,796,424,182

Section X Financial Report

Item	Note	30 June 2024	31 December 2023
Current liabilities:			
Short-term loans		—	—
Bills payable		2,281,059,434	2,182,140,764
Trade payables		7,034,348,081	5,655,020,945
Contract liabilities		640,853,188	483,619,598
Employee benefits payable		180,876,760	76,493,167
Taxes payable		85,019,795	56,442,730
Other payables		3,078,261,646	1,261,756,013
Including: Interest payable		—	—
Dividends payable		1,101,001,287	—
Non-current liabilities due within one year		334,505,757	231,786,175
Other current liabilities		82,985,502	62,673,026
Total current liabilities		13,717,910,163	10,009,932,418
Non-current liabilities:			
Long-term loans		66,532,100	71,060,100
Lease liabilities		70,517,075	66,610,247
Long-term payables		4,685,835	5,096,031
Provisions		465,881,441	392,892,305
Deferred income		85,853,671	237,845,229
Deferred tax liabilities		—	—
Other non-current liabilities		4,279,012	5,447,898
Total non-current liabilities		697,749,134	778,951,810
Total liabilities		14,415,659,297	10,788,884,228

Section X Financial Report

Item	Note	30 June 2024	31 December 2023
Owners' (Shareholders') equity:			
Paid-in capital (or share capital)		1,411,540,112	1,416,236,912
Capital reserve		10,494,246,104	10,579,503,575
Other comprehensive income		-34,386,578	-59,394,839
Special reserve		25,593,090	20,211,566
Surplus reserve		3,153,659,247	3,153,659,247
Retained earnings		20,788,735,045	20,897,323,493
Total owners' (shareholders') equity		35,839,387,020	36,007,539,954
Total liabilities and (owners') shareholders' equity		50,255,046,317	46,796,424,182

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section X Financial Report

Consolidated income statement

From January to June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	From January to June 2024	From January to June 2023
I. Total operating income		10,283,733,393	8,570,210,633
Including: Operating income	VII.43	10,283,733,393	8,570,210,633
II. Total operating costs		8,988,288,524	7,538,541,737
Including: Operating costs	VII.43	7,421,189,690	6,225,945,062
Taxes and surcharges	VII.44	63,808,245	41,192,560
Selling expenses	VII.45	203,545,797	202,406,756
Administrative expenses	VII.46	432,903,741	385,954,580
Research and development expenses	VII.47	944,888,068	809,725,754
Financial expenses	VII.48	-78,047,017	-126,682,975
Including: Interest expenses		24,900,534	19,484,997
Interest income		145,589,548	124,838,988
Add: Other income	VII.49	497,160,494	224,726,822
Investment income ("-" for losses)	VII.50	17,074,459	25,120,031
Including: Gains from investments in associates and joint ventures ("-" for losses)		-10,684,725	-8,125,763
Gains from derecognition of financial assets measured at amortised cost		-	-
Gains from changes in fair value ("-" for losses)	VII.51	27,776,390	41,474,645
Credit losses ("-" for losses)	VII.52	-96,203,151	-75,591,625
Impairment losses ("-" for losses)	VII.53	-41,550,390	-36,305,209
Gains from asset disposals ("-" for losses)	VII.54	2,958,532	187,326
III. Operating profit ("-" for loss)		1,702,661,203	1,211,280,886
Add: Non-operating income	VII.55	16,161,442	14,387,703
Less: Non-operating expenses	VII.56	10,078,780	28,623
IV. Profit before income tax ("-" for losses)		1,708,743,865	1,225,639,966
Less: Income tax expenses	VII.57	107,711,300	37,323,104

Section X Financial Report

Item	Note	From January to June 2024	From January to June 2023
V. Net profit for the year ("-" for losses)		1,601,032,565	1,188,316,862
(I) Net profit classified by continuity of operations ("-" for net loss):			
1. Net profit from continuing operations ("-" for net loss)		1,601,032,565	1,188,316,862
2. Net profit from discontinued operations ("-" for net loss)		<u>—</u>	<u>—</u>
(II) Net profit classified by ownership ("-" for net loss):			
1. Net profit attributable to shareholders of the Company ("-" for net losses)		1,506,841,018	1,154,168,154
2. Net profit attributable to non-controlling interests ("-" for net losses)		94,191,547	34,148,708
VI. Other comprehensive income, net of tax	VII.39	17,258,977	40,619,577
(I) Other comprehensive income attributable to shareholders of the Company, net of income tax		17,650,138	40,496,751
1. Items that will not reclassified to profit or loss		<u>—</u>	<u>—</u>
2. Items that may be reclassified profit or loss		17,650,138	40,496,751
(1) Changes in fair value of other debt investments		19,693,885	13,815,118
(2) Translation differences arising from translation of foreign currency financial statements		-2,043,747	26,681,633
(II) Other comprehensive income (net of tax) attributable to non-controlling interests		-391,161	122,826
VII. Total comprehensive income		1,618,291,542	1,228,936,439
(I) Total comprehensive income attributable to shareholders of the Company		1,524,491,156	1,194,664,905
(II) Total comprehensive income attributable to non-controlling interests		93,800,386	34,271,534
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	XX.2	1.07	0.81
(II) Diluted earnings per share (RMB/share)	XX.2	1.07	0.81

For the business combination involving entities under common control which occurred in the current period, the net profit of the absorbed business before being consolidated was RMB Nil. The net profit in the previous period was also RMB Nil.

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section X Financial Report

The Company's income statement

From January to June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	From January to June 2024	From January to June 2023
I. Operating income	XIX.4	6,262,121,205	6,121,068,261
Less: Operating costs	XIX.4	4,640,418,411	5,078,824,468
Taxes and surcharges		24,573,201	11,620,914
Selling expenses		93,473,966	90,367,771
Administrative expenses		206,965,555	189,282,154
Research and development expenses		407,432,772	373,758,214
Financial expenses		-105,312,269	-140,294,560
Including: Interest expenses		14,154,823	5,384,518
Interest income		121,410,246	108,780,108
Add: Other income		214,937,054	36,882,317
Investment income ("-" for losses)	XIX.5	36,860,446	228,960,815
Including: Gains from investments in associates and joint ventures		2,140,664	1,649,941
Gains from derecognition of financial assets measured at amortised cost		—	—
Gains from changes in fair value ("-" for losses)		25,884,359	39,293,530
Credit losses ("-" for losses)		-69,974,525	-70,181,600
Impairment losses ("-" for losses)		-22,117,584	-37,665,134
Gains from disposal of assets ("-" for losses)		-197,845	-406,199
II. Operating profit ("-" for loss)		1,179,961,474	714,393,029
Add: Non-operating income		3,071,132	10,446,059
Less: Non-operating expenses		9,027,680	1,234
III. Profit before income tax ("-" for loss)		1,174,004,926	724,837,854
Less: Income tax expenses		181,592,087	36,913,340
IV. Net profit for the year ("-" for net loss)		992,412,839	687,924,514
(I) Net profit from continuing operations ("-" for net loss)		992,412,839	687,924,514
(II) Net profit from discontinued operations ("-" for net loss)		—	—

Section X Financial Report

Item	Note	From January to June 2024	From January to June 2023
V. Other comprehensive income, net of tax		25,008,261	19,877,693
(I) Items that will not be reclassified to profit or loss		<u>—</u>	<u>—</u>
(II) Items that may be reclassified to profit or loss		25,008,261	19,877,693
1. Changes in fair value of other debt investments		24,865,207	18,132,647
2. Translation differences arising from translation of foreign currency financial statements		<u>143,054</u>	<u>1,745,046</u>
VI. Total comprehensive income for the year		<u>1,017,421,100</u>	<u><u>707,802,207</u></u>

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section X Financial Report

Consolidated cash flow statement

From January to June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	From January to June 2024	From January to June 2023
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		8,516,217,008	7,400,350,349
Receipts of tax refunds		173,818,587	297,525,732
Other cash receipts relating to operating activities	VII.58	202,112,554	275,021,013
Sub-total of cash inflows from operating activities		8,892,148,149	7,972,897,094
Cash payments for goods purchased and services received		5,620,736,831	5,839,052,361
Cash payments to and on behalf of employees		1,131,283,578	1,082,406,449
Payment of various taxes		770,055,315	843,653,398
Payment for other operating activities	VII.58	699,708,910	675,844,098
Sub-total of cash outflows from operating activities		8,221,784,634	8,440,956,306
Net cash inflow from operating activities	VII.59	670,363,515	-468,059,212
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		7,503,000,000	9,907,000,000
Cash receipts from investment income		133,896,512	121,878,867
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		7,333,560	996,169
Sub-total of cash inflows from investing activities		7,644,230,072	10,029,875,036
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		1,790,422,670	911,250,235
Other cash payments relating to investing activities		8,928,286,000	9,048,694,115
Sub-total of cash outflows from investing activities		10,718,708,670	9,959,944,350
Net cash outflow from investing activities		-3,074,478,598	69,930,686

Section X Financial Report

Item	Note	From January to June 2024	From January to June 2023
III. Cash flows from financing activities:			
Cash receipts from capital contributions		4,517,624,270	—
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		4,377,800,000	—
Cash receipts from borrowings		317,849,621	273,396,466
Other cash receipts relating to financing activities	VII.58	526,521	—
Sub-total of cash inflows from financing activities		4,836,000,412	273,396,466
Cash repayments of borrowings		157,272,383	164,398,089
Cash payments for distribution of dividends or profits or settlement of interest expenses		20,059,178	16,820,755
Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries		5,840,000	3,915,000
Other cash payments relating to financing activities	VII.58	163,239,832	54,361,598
Sub-total of cash outflows from financing activities		340,571,393	235,580,442
Net cash outflow from financing activities		4,495,429,019	37,816,024
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-917,564	4,946,393
V. Net increase in cash and cash equivalents	VII.59	2,090,396,372	-355,366,109
Add: Opening balance of cash and cash equivalents		7,009,438,954	7,074,871,530
VI. Closing balance of cash and cash equivalents	VII.59	9,099,835,326	6,719,505,421

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section X Financial Report

The Company's cash flow statement

From January to June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	From January to June 2024	From January to June 2023
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		4,773,228,638	4,151,808,752
Receipts of tax refunds		45,711,169	152,854,660
Other cash receipts relating to operating activities		61,680,631	90,339,034
Sub-total of cash inflows from operating activities		4,880,620,438	4,395,002,446
Cash payments for goods purchased and services received		3,726,343,125	4,281,014,677
Cash payments to and on behalf of employees		499,255,469	520,553,095
Payment of various taxes		329,129,717	249,747,488
Payment for other operating activities		556,789,428	311,449,941
Sub-total of cash outflows from operating activities		5,111,517,739	5,362,765,201
Net cash outflow from operating activities		-230,897,301	-967,762,755
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		6,707,000,000	8,777,000,000
Cash receipts from investment income		421,111,451	241,665,742
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		600,004	1,140,960
Sub-total of cash inflows from investing activities		7,128,711,455	9,019,806,702
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		226,988,142	462,528,555
Cash payments to acquire investments		5,314,157,457	7,978,194,115
Sub-total of cash outflows from investing activities		5,541,145,599	8,440,722,670
Net cash outflow from investing activities		1,587,565,856	579,084,032

Section X Financial Report

Item	Note	From January to June 2024	From January to June 2023
III. Cash flows from financing activities:			
Cash receipts from capital contributions		—	—
Cash receipts from borrowings		1,230,000,000	313,456,100
Sub-total of cash inflows from financing activities		1,230,000,000	313,456,100
Cash repayments of borrowings		388,190,138	32,500,000
Cash payments for distribution of dividends or profits or settlement of interest expenses		8,101,547	—
Other cash payments relating to financing activities		106,567,873	24,368,922
Sub-total of cash outflows from financing activities		502,859,558	56,868,922
Net cash outflow from financing activities		727,140,442	256,587,178
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-1,176,537	2,143,924
V. Net increase in cash and cash equivalents		2,082,632,460	-129,947,621
Add: Opening balance of cash and cash equivalents		3,591,952,115	3,513,762,945
VI. Closing balance of cash and cash equivalents		5,674,584,575	3,383,815,324

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section X Financial Report

Consolidated statement of changes in owners' equity

From January to June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	From January to June 2024								
	Equity attributable to owners of the Company							Non-controlling interests	Total
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total		
I. Balance at the end of the previous year	1,416,236,912	10,511,448,364	-255,631,350	86,022,310	3,153,659,247	21,954,221,096	36,865,956,579	850,574,303	37,716,530,882
II. Opening balance of the current year	1,416,236,912	10,511,448,364	-255,631,350	86,022,310	3,153,659,247	21,954,221,096	36,865,956,579	850,574,303	37,716,530,882
III. Changes in equity during the period ("-" for decreases)	-4,696,800	2,211,228,347	17,650,138	22,797,880	-	405,839,731	2,652,819,296	2,171,307,418	4,824,126,714
(I) Total comprehensive income	-	-	17,650,138	-	-	1,506,841,018	1,524,491,156	93,800,381	1,618,291,542
(II) Owners' contributions and reduction in capital	-4,696,800	2,211,228,347	-	-	-	-	2,206,531,547	2,081,314,182	4,287,845,729
1. Capital contribution from owners	-	2,296,485,818	-	-	-	-	2,296,485,818	2,081,314,182	4,377,800,000
2. Others	-4,696,800	-85,257,471	-	-	-	-	-89,954,271	-	-89,954,271
(III) Appropriation of profits	-	-	-	-	-	-1,101,001,287	-1,101,001,287	-6,115,000	-1,107,116,287
1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-1,101,001,287	-1,101,001,287	-6,115,000	-1,107,116,287
(IV) Special reserve	-	-	-	22,797,880	-	-	22,797,880	2,307,850	25,105,730
1. Transfer to special reserve in the period	-	-	-	25,005,880	-	-	25,005,880	2,527,263	27,533,143
2. Amount utilised in the period	-	-	-	-2,208,000	-	-	-2,208,000	-219,413	-2,427,413
(IV) Closing balance of the current period	1,411,540,112	12,722,676,711	-237,981,212	108,820,190	3,153,659,247	22,360,060,827	39,518,775,875	3,021,881,721	42,540,657,596

Section X Financial Report

Consolidated statement of changes in owners' equity

From January to June 2023

Unit: Yuan Currency: RMB

Item		From January to June 2023								Non-controlling interests	Total
		Equity attributable to owners of the Company									
		Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total			
I.	Balance at the end of the previous year	1,416,236,912	10,511,448,364	-217,184,032	39,091,759	2,921,038,979	19,860,068,021	34,530,700,003	765,031,179	35,295,731,182	
II.	Opening balance of the current year	1,416,236,912	10,511,448,364	-217,184,032	39,091,759	2,921,038,979	19,860,068,021	34,530,700,003	765,031,179	35,295,731,182	
III.	Changes in equity during the period (" - " for decreases)	-	-	40,496,751	22,352,159	-	375,237,852	438,086,762	34,586,152	472,672,914	
	(I) Total comprehensive income	-	-	40,496,751	-	-	1,154,168,154	1,194,664,905	34,271,534	1,228,936,439	
	(II) Owners' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	
	1. Capital contribution from owners	-	-	-	-	-	-	-	-	-	
	(III) Appropriation of profits	-	-	-	-	-	-778,930,302	-778,930,302	-2,200,000	-781,130,302	
	1. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	
	2. Distributions to owners (or shareholders)	-	-	-	-	-	-778,930,302	-778,930,302	-2,200,000	-781,130,302	
	(IV) Special reserve	-	-	-	22,352,159	-	-	22,352,159	2,514,618	24,866,777	
	1. Transfer to special reserve in the period	-	-	-	36,329,772	-	-	36,329,772	2,864,096	39,193,868	
	2. Amount utilised in the period	-	-	-	-13,977,613	-	-	-13,977,613	-349,478	-14,327,091	
IV.	Closing balance of the current period	1,416,236,912	10,511,448,364	-176,687,281	61,443,918	2,921,038,979	20,235,305,873	34,968,786,765	799,617,331	35,768,404,096	

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section X Financial Report

The Company's statement of changes in owners' equity

From January to June 2024

Prepared by: Zhuzhou CRRC Times Electric Co., Ltd.

Unit: Yuan Currency: RMB

Item	From January to June 2024						
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total
I. Balance at the end of the previous year	1,416,236,912	10,579,503,575	-59,394,839	20,211,566	3,153,659,247	20,897,323,493	36,007,539,954
II. Opening balance of the current year	1,416,236,912	10,579,503,575	-59,394,839	20,211,566	3,153,659,247	20,897,323,493	36,007,539,954
III. Changes in equity during the period ("-" for decreases)	-4,696,800	-85,257,471	25,008,261	5,381,524	-	-108,588,448	-168,152,934
(I) Total comprehensive income	-	-	25,008,261	-	-	992,412,839	1,017,421,100
(II) Owners' contributions and reduction in capital	-4,696,800	-85,257,471	-	-	-	-	-89,954,271
(III) Appropriation of profits	-	-	-	-	-	-1,101,001,287	-1,101,001,287
1. Appropriation for surplus reserve	-	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-1,101,001,287	-1,101,001,287
(IV) Special reserve	-	-	-	5,381,524	-	-	5,381,524
1. Transfer to special reserve in the period	-	-	-	7,944,945	-	-	7,944,945
2. Amount utilised in the period	-	-	-	-2,563,421	-	-	-2,563,421
IV. Closing balance of the current period	1,411,540,112	10,494,246,104	-34,386,578	25,593,090	3,153,659,247	20,788,735,045	35,839,387,020

Section X Financial Report

The Company's statement of changes in owners' equity

From January to June 2023

Unit: Yuan Currency: RMB

Item	From January to June 2023						Total
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. Balance at the end of the previous year	1,416,236,912	10,579,503,575	-56,892,606	5,174,513	2,921,038,979	19,582,671,393	34,447,732,766
II. Opening balance of the current year	1,416,236,912	10,579,503,575	-56,892,606	5,174,513	2,921,038,979	19,582,671,393	34,447,732,766
III. Changes in equity during the period ("-" for decreases)	-	-	19,877,693	7,145,438	-	-91,005,788	-63,982,657
(I) Total comprehensive income	-	-	19,877,693	-	-	687,924,514	707,802,207
(II) Owners' contributions and reduction in capital	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	-778,930,302	-778,930,302
1. Appropriation for surplus reserve	-	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-778,930,302	-778,930,302
(IV) Special reserve	-	-	-	7,145,438	-	-	7,145,438
1. Transfer to special reserve in the period	-	-	-	14,118,792	-	-	14,118,792
2. Amount utilised in the period	-	-	-	-6,973,354	-	-	-6,973,354
IV. Closing balance of the current period	1,416,236,912	10,579,503,575	-37,014,913	12,319,951	2,921,038,979	19,491,665,605	34,383,750,109

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Section X Financial Report

III. BASIC INFORMATION ABOUT THE COMPANY

1. General information

✓ Applicable ☐ Not applicable

Zhuzhou CRRC Times Electric Co., Ltd. (the “Company”), is a joint stock limited company registered in Hunan Province, the People’s Republic of China (the “PRC”). It was jointly established by CRRC Zhuzhou Institute Co., Ltd. (hereinafter referred to as “CRRC ZELRI”), CRRC Changzhou Industrial Management Co., Ltd., CRRC Zhuzhou Locomotive Co., Ltd., CRRC Investment & Leasing Co., Ltd. and CRRC High-Tech Equipment Co., Ltd. on 26 September 2005.

In December 2006, the Company issued 414,644,000 H Shares (including H shares issued via the exercise of the over-allotment option) with a nominal value of RMB1 each through the Hong Kong Stock Exchange. The issue price was HKD5.3 per share. The total proceeds before deducting issuing expenses amounted to HKD2,197,613,000 (equivalent to approximately RMB2,209,968,000). These H shares were listed and traded on the Main Board of the Hong Kong Stock Exchange since December 2006. In October 2013, the Company issued 91,221,000 H Shares with a nominal value of RMB1 each through the Hong Kong Stock Exchange. The issue price was HKD25 per share. The total proceeds before deducting issuing expenses amounted to HKD2,280,525,000 (equivalent to approximately RMB1,803,872,470). These H shares were listed and traded on the Main Board of the Hong Kong Stock Exchange since October 2013. In September 2021, the Company issued 240,760,275 A shares with a nominal value of RMB1 each through the STAR Market of Shanghai Stock Exchange (“SSE STAR Market”). The issue price was RMB31.38 per share. The total proceeds before deducting issuing expenses amounted to RMB7,555,057,430. These H shares were listed and traded on SSE STAR Market since September 2021. Consequently upon the issue of the A Shares, the registered capital and share capital of the Company were increased to RMB1,416,236,912.

From 11 January 2024 to 17 January 2024, the Company carried out a series of repurchases of H Shares on the Hong Kong Stock Exchange. As of 30 June 2024, the Company had repurchased 4,696,800 H Shares in total, and the H Shares repurchased by the Company had been cancelled on 16 April 2024.

The Company is headquartered at Times Road, Shifeng District, Zhuzhou City, Hunan Province. The Company and its subsidiaries (together, the “Group”) are mainly engaged in the R&D, design, manufacture, sales of rail transit equipment, emerging equipment as well as provision of related services. Its products mainly include rail transit electrical equipment primarily the rail transit traction converter system, rail engineering machinery, communication signal system, power semiconductor devices, industrial converter products, new energy vehicle electric drive system, sensor parts and offshore equipment.

2. Scope of consolidated financial statements

✓ Applicable ☐ Not applicable

The consolidated and Company’s financial statements have been approved by the Company’s board of directors on 23 August 2024.

Details of the scope of consolidated financial statements for the current period are set out in Note X “Interests in Other Entities”. Details of the changes in the scope of consolidated financial statements for the current period are set out in Note IX “Changes in scope of consolidation”.

Section X Financial Report

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

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

The Group implements the Accounting Standards for Business Enterprises and related regulations promulgated by the Ministry of Finance of the People's Republic of China ("the MoF"). In addition, the Group also disclosed relevant financial information in accordance with the Reporting Rules for the Disclosure of Information of Companies Offering Public Securities No. 15 – General Requirements for Financial Reporting (2014 Amendment), the Hong Kong Companies Ordinance and the Listing Rules for Securities of the Stock Exchange of Hong Kong Limited.

2. Going concern

✓ Applicable ☐ Not applicable

The Group evaluated its ability to continue as a going concern for the 12 months from 30 June 2024 and did not notice any events or circumstances that may cast significant doubt upon its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

3. Basis of accounting and principle of measurement

✓ Applicable ☐ Not applicable

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement. When assets are impaired, impairment provisions for assets are recognised in accordance with relevant requirements.

The historical cost of an asset when it is acquired or created is the value of the costs incurred in acquiring or creating the asset, comprising the fair value of consideration paid to acquire or create the asset. The historical cost of a liability when it is incurred or taken on is the value of the consideration received to incur or take on the liability, or the contractual amount for taken current obligations, or the amount of cash and cash equivalents expected to be paid to settle the liabilities in normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and disclosure in the financial statements are determined according to the above basis.

The Group considers the ability of market participants to put assets into best use for economic benefits or sell the assets to other market participants who are able to put the assets into best use for economic benefits when measuring non-financial assets at fair value.

Section X Financial Report

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

3. Basis of accounting and principle of measurement (continued)

For financial assets with transaction prices as the fair value upon initial recognition and the valuation technique of unobservable inputs employed in the subsequent measurement at the fair value, the technique is adjusted during the valuation to match the initial recognition results determined with the transaction prices.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;
- Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;
- Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

The Company and its subsidiaries have designated certain specific accounting policies and accounting estimates for transactions and events, such as the methods on provision for impairment of financial instruments, depreciation of fixed assets, amortisation of intangible assets, and revenue recognition, in accordance with the Accounting Standards for Business Enterprises based on the characteristics of their actual production and operations. Please refer to Note V. 11, 20, 23 and 28 for specific accounting policies.

1. Statement of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with the ASBE, and present truly and completely, the consolidated and Company's financial position as at 30 June 2024, and the consolidated and Company's operating results, the consolidated and the Company's changes in shareholders' equity and cash flows for the period from 1 January to 30 June 2024.

2. Accounting period

The accounting period of the Group is from 1 January to 31 December of each calendar year.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

3. Business cycle

✓ Applicable ☐ Not applicable

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

4. Reporting currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate.

5. Methodology for determining the materiality criteria and basis for selection

✓ Applicable ☐ Not applicable

Item	Materiality criteria
Material provision for bad and doubtful debts of accounts receivable on an individual basis	Amount over or equal to RMB10 million
Material prepayments aged over one year	Amount over or equal to RMB10 million
Material non-wholly owned subsidiaries	One or all of the total assets, operating income or profit before income tax (absolute value) of a non-wholly owned subsidiary accounted for over or equal to 10% of the corresponding item in the Group's consolidated statements
Material associates or joint ventures	The carrying amount of long-term equity investments in joint ventures or associates is over or equal to RMB100 million, or the proportion of investment income (loss is calculated in absolute amount) derived from joint ventures or associates to the net profit in the consolidated statement is over or equal to 10%
Material construction in progress	The project investment budget is over or equal to RMB1 billion or the closing balance is over or equal to RMB100 million.
Material capitalized research and development projects	Amount invested during the period is greater than or equal to RMB20 million or ending balance is greater than or equal to RMB20 million
Significant accounts payable with ageing of more than one year	Amount over or equal to RMB20 million
Significant contract liabilities with ageing of more than one year	Amount over or equal to RMB10 million
Significant other payables with ageing of more than one year	Amount over or equal to RMB10 million

Section X Financial Report

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

✓ Applicable ☐ Not applicable

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

For a transaction not involving enterprises under common control, the acquirer determines whether an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group should 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 asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

(1) Business combinations involving entities 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 combined 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 face value of shares issued as consideration) is adjusted to the share premium in capital reserve. If the share premium 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.

Section X Financial Report

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, that meet the recognition criteria shall be measured at fair value at the acquisition date.

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.

7. Basis for preparation of consolidated financial statements

✓ Applicable ☐ Not applicable

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. The investor shall make a judgment on whether to control the investee on the basis of comprehensive consideration of all relevant facts and circumstances. If changes of related facts and situations lead to changes of related elements of control, the Group will conduct reassessment.

The combination of subsidiaries begins with the Group's control over the subsidiary, and ceases with the Group's losing control of the subsidiary.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Basis for preparation of consolidated financial statements (continued)

For a subsidiary disposed by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statements, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statements, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated cash flow statements, as appropriate.

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 that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "Profit or loss attributable to minority interests" in the consolidated income statement below the "net profit" line item.

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

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 recognised 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.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

8. Classification of joint arrangements and accounting methods for joint management

✓ Applicable ☐ Not applicable

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.

All joint arrangements of the Group are joint ventures using the equity method. Refer to Note V 19. Long-term equity investments for details.

9. Recognition criteria of cash and cash equivalent

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (generally due 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.

10. Translation of transactions and financial statements denominated in foreign currencies

✓ Applicable ☐ Not applicable

(1) Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into the functional currency using the spot exchange rates 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 that classified as measured at FVOCI are recognised as other comprehensive income.

When the consolidated financial statements include foreign operations, if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognised as "exchange differences arising on translation of financial statements denominated in foreign currencies" in other comprehensive income, and in profit and loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary 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.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Translation of transactions and financial statements denominated in foreign currencies (continued)

(2) Translation of financial statements denominated in foreign currencies

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.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the average exchange rate for the period of the cash flows. 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 exchange rate changes on cash and cash equivalents".

11. Financial instruments

✓ Applicable ☐ Not applicable

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Group recognises assets acquired and liabilities assumed on a trade date basis, or derecognises the assets sold on a trade date basis, confirms the disposal profits or losses and the receivables collected from the buyer.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognised amounts. For accounts receivable excluding significant financing components or regardless of financing components of contracts less than one year recognised based on the Accounting Standards for Business Enterprises No. 14 – Revenue (the "Revenue Standards"), accounts receivable initially recognised shall be measured at transaction price defined based on the Revenue Standards on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over each accounting period.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability, or where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (i.e. pre-repayment, extension, call option or other similar options, etc.) without considering future impairment losses under expected credit loss model.

The amortised cost of a financial asset or a financial liability is an accumulatively amortised amount arising from the initially recognised amount of the financial asset or the financial liability deducting repaid principals plus or less amortisation of balances between the initially recognised amount on initial recognition and the amount on maturity date using the effective interest method, and then deducting accumulated provisions for losses (only applicable to financial assets).

(1) Classification, recognition and measurement of financial assets

Subsequent to initial recognition, the Group's various financial assets are subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

If contractual terms of the financial asset give rights on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial asset measured at amortised cost. Such types of financial assets mainly comprise cash and bank balances, bills receivable, accounts receivable, other receivables, debt investments, and long-term receivables, etc.

The contract clauses of financial assets stipulate that cash flows generated on a specified date are only payments of principal and interest based on the amount of outstanding principal and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. The financial assets that meet the above conditions are classified as at FVTOCI. Such type of financial assets with a period of over one year since obtaining are presented as other debt investments and financial assets due within one year (inclusive) since the balance sheet date are presented as non-current assets due within one year; accounts receivable and bills receivable at FVTOCI are presented as accounts receivable financing, and other financial assets with a period within one year (inclusive) upon obtaining are presented as other current assets.

Upon initial recognition, the Group irrevocably designates non-held-for-trading equity instrument investments except contingent considerations recognised in the business combination not under the same control as financial assets at FVTOCI based on individual financial assets. Such types of financial assets are presented as other equity instrument investments.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(1) Classification, recognition and measurement of financial assets (continued)

Financial assets meeting one of the following requirements indicate that the financial assets held by the Group are for trading:

- The purpose of obtaining relevant financial assets is mainly for sale or buy-back in the near future.
- Relevant financial assets are part of the identifiable financial instrument combination under centralised management upon initial recognition and there is objective evidence indicating that exists recently a short-term profit model.
- Relevant financial assets are derivatives, except for derivatives meet the definition of financial guaranteed contracts as well as derivatives designated as effective hedging instruments.

Financial assets at fair value through profit and loss ("FVTPL") include financial assets classified at fair value through profit and loss and those designated as at fair value through profit or loss.

- Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are recognised into FVTPL.
- Upon initial recognition, to eliminate or significantly reduce accounting mismatches, the Group may irrevocably designate financial assets as measured at FVTPL.

Financial assets at fair value through profit and loss are presented under held-for-trading financial assets. Financial assets due over one year since the balance sheet date or without a fixed expiring date are presented under other noncurrent financial assets.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(1) Classification, recognition and measurement of financial assets (continued)

(a) Financial assets measured at amortised cost

Financial assets at amortised cost are measured subsequently at amortised cost using the effective interest method. Gains or losses arising from impairment or derecognition are recorded to profit or loss for the period.

The Group recognises interest income for financial assets measured at amortised cost using the effective interest method. The Group determines the interest income by multiplying the gross carrying amount of financial assets by effective rate except the following situations:

- For purchased or originated credit-impaired financial assets, the Group recognises their interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.
- For purchased or originated financial assets without credit impairment but subsequently becoming credit impaired, the Group subsequently recognises their interest income based on amortised costs and effective interest rate of such financial assets. If there exists no credit impairment due to improvement in credit risk of the financial instruments subsequently and the improvement is relevant to an event incurred subsequent to the application of above provisions, the Group recognises interest income based on applying effective interest rate to carrying amount of the financial assets.

(b) Financial assets at FVTOCI

Except that gains or losses on impairment relating to financial assets at fair value through other comprehensive income, interest income calculated using effective interest rate and exchange gains or losses are recognised in profit or loss for the period, changes in fair value in the above financial assets are included in other comprehensive income. The amount of the financial assets included into profit or loss of each period shall be regarded as equal as the amount measured at amortised cost through profit or loss over each period. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and reclassified into profit or loss for the period.

For non-held-for-trading equity investment designated as financial assets at FVTOCI, changes in fair value are recognised in other comprehensive income. Upon derecognition of the financial asset, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings. During the period for which the Group holds the investments in the non-held-for-trading equity instruments, dividend income is recognised and included in profit or loss for the period when the Group's right to collect dividend has been established; it is probable that economic benefits associated with dividend will flow to the Group; and the amount of dividend can be reliably measured.

(c) Financial assets classified as at FVTPL

Financial assets at FVTPL are measured subsequently at fair value, with gains or losses arising from changes in the fair value and dividend and interest income relevant to the financial assets are recorded to profit or loss for the period.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments

The Group recognises impairment losses for expected credit losses on financial instruments measured at amortised cost, categorised into FVTOCI, lease receivables, contract assets, loan commitments and financial guarantee contracts.

The Group measures loss allowance for contract assets and receivables arising from transactions regulated by Revenue Standard, and lease receivables arising from transactions regulated by the Accounting Standards for Business Enterprises No. 21 – Leases based on the amount of lifetime ECL.

For other financial instruments, except for the purchased or originated to be impaired, the Group re-evaluate changes in credit risk of relevant financial instruments since initial recognition at each balance sheet date. If the credit risk of the above financial instruments has increased significantly since initial recognition, the Group measures loss allowance based on the amount of full lifetime; if credit risk of the financial instrument does not increase significantly since initial recognition, the Group recognises loss allowance based on 12-month expected credit loss of the financial instrument. Increase or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment. Except for the financial assets classified as FVTOCI, financial guarantee contract and loan commitment, credit loss allowance offsets the carrying amount of financial assets. For the financial assets classified as FVTOCI, the Group recognises credit loss allowance in other comprehensive income, which does not decrease the carrying amount of such financial assets in the balance sheet.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, as at the balance sheet date for the current period, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at the balance sheet date for the current period. Relevant reversal of loss allowance is included in profit or loss as gain on impairment.

(a) Significant increases in credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instruments as at the reporting date with the risk of a default occurring on the financial instruments as at the date of initial recognition. For financial guaranteed contracts, when applying the provision of impairment of financial instruments, the Group shall take the date when it becomes the party making an irrevocable undertaking as the initial recognition date.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(a) Significant increases in credit risk (continued)

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

- Significant changes in internal price indicators as a result of a change in credit risk;
- Other changes in the rates or terms of an existing financial instrument that would be significantly different if the instrument was newly originated or issued at the balance sheet date (such as more stringent covenants, increased amounts of collateral or guarantees, or higher income coverage);
- Significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instruments with the same expected life;
- An actual or expected significant change in the financial instrument's external credit rating;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations;
- An actual or expected significant change in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements;
- Significant changes in the expected performance and behaviour of the debtor;
- Changes in the Group's credit management approach related to the financial instrument.

At the balance sheet date, if the Group judges that the financial instruments solely are exposed to lower credit risk, the Group will assume that the credit risk of the financial instruments has not been significantly increased since initial recognition. If the risk of default on financial instruments is low, the borrower's ability to meet its contractual cash flow obligations in the short term is strong, and even if the economic situation and operating environment are adversely changed over a long period of time, it may not necessarily reduce the borrower's ability to fulfil its contractual cash flow obligations, the financial instrument is considered to have a lower credit risk.

Section X Financial Report

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

11. Financial instruments *(continued)*

(2) Impairment of financial instruments *(continued)*

(b) Credit-impaired financial assets

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;
- The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor;
- 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.

(c) Recognition of expected credit losses

The Group uses common credit risk characteristics to categorize financial instruments into different groups for bad debt provisioning. The common credit risk characteristics adopted by the Group include the type of financial instruments, the type of debtors, and the industry in which the debtors operate relative to the value of the financial assets.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(c) Recognition of expected credit losses (continued)

ECL of relevant financial instruments is recognised based on the following methods:

- For a financial asset, credit loss is the present value of difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.
- For a lease receivable, credit loss is the present value of difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.
- For undrawn loan commitments, the credit loss is the present value of the difference between the contract cash flow to be received by the Group and the expected cash flow, under the condition that the loan commitment holder withdraws the corresponding loans. The Group's estimate of the expected credit loss on the loan commitment is consistent with the expected withdrawal of the loan commitment.
- For a financial guarantee contract, credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- For credit-impaired financial assets other than the purchased or originated credit-impaired financial assets at the balance sheet date, credit loss is difference between the carrying amount of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, including time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(c) Recognition of expected credit losses (continued)

The Group's specific policies on the determination of provision for bad and doubtful debts of receivables are set out below:

(I) Combination categories and determination criteria for bad debt provision based on credit risk characteristics

Bills receivable	According to the credit risk characteristics of the acceptors, the Group classified bills receivable into bank acceptances, commercial acceptances due from State Railway Group ("SRG") and its subsidiaries, commercial acceptances due from central state-owned enterprises other than SRG, commercial acceptances due from local governments or local state-owned enterprises and commercial acceptances due from other enterprises.
Accounts receivable and contract assets	The Group classified the accounts receivable and contract assets into SRG, central state-owned enterprises other than SRG, local governments or local state-owned enterprises as well as other enterprises based on the credit risk characteristics.
Trade receivables financing	The Group's trade receivables financing represent the bank acceptances receivable with dual holding purposes and Cloud Credit receivable (enterprise credit circulating on the Cloudchain platform, hereinafter referred to as "Cloud Credit). Based on the historical experience, there is no significant difference in the occurrence of losses on bank acceptances receivable with dual holding purposes and Cloud Credit receivable. Therefore, the Group considers all trade receivables financing as a portfolio.
Other receivables	The Group's other receivables mainly include guarantees and deposits receivable, employees reserve funds receivable, accounts current due from related parties, dividends receivable. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classified other receivables into three portfolios, specifically: the employees reserve funds receivable portfolio, portfolio for amounts due from related parties within the Group and other receivables portfolio.

For receivables classified into portfolios, the Group calculates the ECLs by taking into account circumstances including ageing and historical loss experience, and by appropriately adjusting the lifetime ECL rate against future economic conditions and other influencing factors, by using the exposure at default (EAD) and the lifetime ECL rate.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(c) Recognition of expected credit losses (continued)

(II) Judgement criteria for receivables for which credit loss allowance is provided on an individual basis
Generally, the Group collectively measures loss allowance for bills receivable, accounts receivable, trade receivables financing, other receivables and contract assets based on the credit risk characteristics. If the credit risk characteristics of a counterparty is significantly different from that of other counterparties, or if there are significant changes in the credit risk characteristics of a counterparty, loss allowances for amounts due from this counterparty are made on an individual basis. For example, when a counterparty is experiencing significant financial difficulty and the ECL rate on amounts due from this counterparty has become significantly higher than the ECL rate in the ageing range, loss allowances for such amounts are made on an individual basis.

(d) Reduction in financial assets

The Group directly reduce the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Such reduction constitutes a derecognition of relevant financial assets.

(3) Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, the Group will recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. Relevant liabilities are measured using the following methods:

- For transferred financial assets carried at amortised cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortised cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortised cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at fair value through profit or loss.
- For financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(3) Transfer of financial assets (continued)

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, for financial asset categorised into those measured at amortised cost and FVTOCI, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss. For non-trading equity instruments designated as financial assets at FVTOCI, cumulative gains or losses previously recognised in other comprehensive income should be removed from other comprehensive income and be recognised in retained earnings.

For a part of transfer of a financial asset that satisfies the derecognition criteria, the carrying amount of the transferred financial asset is allocated between the part that is derecognised and the part that is continuously involved, based on the respective fair values of those parts on transfer date. The difference between (1) the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised in other comprehensive income; and (2) the carrying amount allocated to the part derecognised on derecognition date; is recognised in profit or loss.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety. The consideration received should be recognised as a liability.

(4) Classification of financial liabilities and equity instruments

Financial instruments issued by the Group are classified into financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial liability and equity instruments on initial recognition.

(a) Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(4) Classification of financial liabilities and equity instruments (continued)

(a) Classification, recognition and measurement of financial liabilities (continued)

(I) Financial liabilities at FVTPL

Financial liabilities at FVTPL consist of financial liabilities held for trading (including derivative instruments classified as financial liabilities) and those designated as at FVTPL. Financial liabilities at FVTPL are presented as held-for-trading financial liabilities/other non-current liabilities based on its liquidity.

It is indicated that the Group's purpose of undertaking the financial liabilities is for trading if the financial liabilities meet one of the following conditions:

- The purpose for undertaking relevant financial liabilities is mainly for recent repurchase;
- The relevant financial liabilities are part of the centrally managed identifiable financial instrument portfolio at initial recognition, and there is objective evidence that there is a short-term profits presence in the near future;
- Related financial liabilities are derivatives, except for derivatives that meet the definition of a financial guarantee contract and that are designated as effective hedging instruments.

Financial liabilities at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value or any dividend or interest expenses paid related to the financial liabilities are recognised in profit or loss.

(II) Other financial liabilities

Other financial liabilities, except for financial liabilities due to the transfer of financial assets do not qualify for derecognition or with continuing involvement, guarantee contracts, are classified as financial liabilities measured at amortised cost, which is subsequently measured at amortised cost, any gains or losses arising from derecognition or amortisation are recognised in profit or loss for the year.

If the Group amends or renegotiates a contract with the counterparty which does not result in derecognition of financial liabilities subsequently measured at amortised cost but results in changes in the contractual cash flow, the Group shall recalculate the carrying amount of the financial liabilities and account for the relevant profit or loss as current profit or loss. The Group determines the recalculated carrying amount of the financial liabilities based on the present value of the contractual cash flow to be renegotiated or modified according to the discounted original effective interest rate of financial liabilities. For all the costs or expenses arising from an amended or renegotiated contract, the Group shall adjust the book value of the financial liabilities and amortise them for the remaining life of the financial liabilities.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(4) Classification of financial liabilities and equity instruments (continued)

(b) Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing debtor) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

(c) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's issuance (including refinancing), repurchase, sales or cancellation of an equity instrument shall be accounted for as a change to equity. The Group does not recognise changes in the fair value of an equity instrument. Transaction costs of an equity transaction are accounted for as a deduction from equity.

The Group recognises the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

(5) Derivatives

The derivative instruments of the Group include forward exchange contract, etc. The derivative instruments are measured initially at fair value on the relevant contractual signing date, and measured subsequently at fair value. At the end of reporting period, the derivative financial instruments at a positive fair value are presented in derivative financial assets, and those at a negative fair value are presented in derivative financial liabilities.

(6) Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Bills receivable

☐ Applicable ☒ Not applicable

13. Accounts receivable

☐ Applicable ☒ Not applicable

14. Trade receivables financing

☐ Applicable ☒ Not applicable

15. Others receivables

☐ Applicable ☒ Not applicable

16. Inventories

☒ Applicable ☐ Not applicable

(1) Inventory category, valuation method of inventories upon delivery, inventory count system, amortisation method for low cost and short-lived consumable items and packaging materials

☒ Applicable ☐ Not applicable

(a) Inventory classification

The Group's inventories mainly include raw materials, semi-finished products, work in progress, goods on hand, turnover materials, etc. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

(b) Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

(c) Inventory count system

The perpetual inventory system is maintained for stock system.

(d) Amortisation method for low cost and short-lived consumable items and packaging materials

Turnover materials include low value consumables and packing materials, which are amortised by using the immediate write-off method.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

16. Inventories (continued)

(2) Basis for determining net realisable value of inventories

☒ Applicable ☐ Not applicable

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and 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. The provision for decline in values of inventories are made on an individual basis. For items of inventories relating to a product line that are produced and marketed in the same geographical area, have the same or similar end uses or purposes, and cannot be practicably evaluated separately from other items in that product line, provision for decline in value is determined on an aggregate basis. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

(3) Categories of combinations and basis for determining the provision for decline in value of inventories according to combinations, and basis for determining the net realizable value of different categories of inventories

☐ Applicable ☒ Not applicable

(4) Calculation method and basis for determining the net realizable value of inventories by age group for recognizing net realizable value of inventories based on the age of inventories

☐ Applicable ☒ Not applicable

17. Contract assets

☐ Applicable ☒ Not applicable

18. Assets classified as held-for-sale

☒ Applicable ☐ Not applicable

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Assets classified as held-for-sale (continued)

Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held for sale:

☒ Applicable ☐ Not applicable

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 non-monetary 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, the 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 is made. When there is increase in the net amount of fair value of non-current assets 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.

Recognition criteria and presentation of discontinued operations:

☐ Applicable ☒ Not applicable

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Long-term equity investments

✓ Applicable ☐ Not applicable

(1) Determination criteria of joint control and significant influence

Control is achieved when the Group has the power over the investee, is exposed or, has the rights to, variable returns from its involvement with the investee; and has the ability to use its power to affect its return. 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, convertible corporate bonds and exercisable warrants) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

(2) Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of carrying amount of shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and the aggregate of cash paid, non-cash assets transferred and carrying amount of liabilities assumed, is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained profits. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is determined in accordance with shares of carrying amount of shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination, with the aggregate face value of the shares issued accounted for as share capital, and the difference between the initial investment cost and the aggregate face value of the shares issued adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained profits.

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 at the date of combination.

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

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the additional investment cost.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Long-term equity investments (continued)

(3) Subsequent measurement and recognition of profit or loss

(a) Long-term equity investment accounted for using the cost method

The parent company's separate financial statements adopted cost method to account for the long-term equity investments of subsidiaries. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment 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 accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is a joint arrangement in which the Group has rights only to the net assets of the arrangement.

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 and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted: the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognised in the capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investors' accounting policies and accounting period are inconsistent with those of the Company, the Company recognises investment income and other comprehensive income after making appropriate adjustments to conform to the Company's accounting policies and accounting period. However, unrealised gains or losses resulting from the Group's transactions with its associates and joint ventures, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses or is recognised. However, unrealised losses are not eliminated if they result from the Group's transactions with its investees which represent impairment losses on the transferred assets.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

19. Long-term equity investments (continued)

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

(b) Long-term equity investment accounted for using 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 made 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.

(d) Methods of impairment assessment and provision for impairment are set out in Note V.24.

20. Fixed assets

(1) Recognition criteria

✓ Applicable ☐ Not applicable

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.21. 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.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Fixed assets (continued)

(2) Depreciation method

✓ Applicable ☐ Not applicable

Category	Depreciation method	Depreciation period (years)	Estimated net residual value rate	Annual depreciation rate
Plant and buildings	Straight-line method	20-45	5%	2.11%-4.75%
Machinery and equipment	Straight-line method	6-10	5%	9.50%-15.83%
Vehicles	Straight-line method	5	5%	19.00%
Office facilities and others	Straight-line method	5	5%	19.00%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(3) Other information

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 each financial year-end, and accounts for any change as a change in accounting estimate.

Methods of impairment assessment and provision for impairment are set out in Note V.24.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

21. Construction in progress

✓ Applicable ☐ Not applicable

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 not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use.

Specific criteria and the point in time for the Group's construction in progress transferred to fixed assets:

Category	Criteria and point in time for construction in progress transferred to fixed assets
Plant and buildings	Constructions were completed and came into use.
Machinery and equipment	If a single equipment can be individually ready for intend use after installation and commissioning, the point in time for construction in progress transferred to fixed assets is the time when the installation and commissioning of such software and equipment are completed; if the whole set of software and equipment are ready for intend use with their interaction, the point in time for construction in progress transferred to fixed assets is the time when the installation and commissioning of the whole set of software and equipment are completed.

Methods of impairment assessment and provision for impairment are set out in Note V.24.

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.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Borrowing costs

✓ Applicable ☐ Not applicable

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. Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalisation is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs 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.

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 Group determines 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.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Intangible assets

(1) Useful lives and the basis for determining the useful lives, estimates, amortisation methods or review

✓ Applicable ☐ Not applicable

An intangible asset is measured initially at cost. 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. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortised over its estimated useful life. An intangible asset with an indefinite useful life is not amortised. The amortisation methods, useful lives, and estimated net residual value rates of each class of intangible assets are as follows:

Category	Amortisation method	確定依據	Useful life (Years)	Residual value rate (%)
Land use rights	Straight-line method	Legal right to use	40-50	—
Software licenses	Straight-line method	The authorisation period agreed in the contract or the period for which economic benefits are expected to be brought to the Company	3-10	—
Patents, licenses and technical know-how	Straight-line method	The authorisation period agreed in the contract or the period for which economic benefits are expected to be brought to the Company	5-10	—
Trademarks	Straight-line method	The period for which economic benefits are expected to be brought to the Company	20	—
Backlog orders and service contracts	Straight-line method	The period for rendering of services agreed in the contract	Period during which the service is rendered	—

For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the period, and makes adjustments when necessary. For the impairment testing of intangible assets, please refer to Note V.24.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Intangible assets (continued)

(2) Scope of research and development expenditure as well as relevant accounting treatments

✓ Applicable ☐ Not applicable

The Group classified various expenses related to the research and development activities as the research and development expenditure, including employee benefits, material consumption expenses, depreciation and amortisation expenses, technical service fees, office and travelling expenses as well as testing and examination fees.

The Group classifies the expenditure on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure during the research phase is recognised as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognised as intangible asset. Expenditure during development phase that does not meet the following conditions is recognised in profit or loss for the period.

- 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;
- the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

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.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Impairment of long-term assets

✓ Applicable ☐ Not applicable

The Group assesses at each balance sheet date whether there is any indication that long-term equity investment, fixed assets and construction in progress, 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 an impairment indication exists, the recoverable amount is estimated. 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 individual basis. 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 or asset group 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.

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.

In determining impairment losses on assets related to contract costs, impairment losses are first determined for other assets recognised in accordance with other relevant ASBEs and related to the contract; then, for assets related to contract costs, the Group shall recognise an impairment loss to the extent that the carrying amount of an asset exceeds: (1) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less (2) the estimated costs that relate to providing those goods or services.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of asset 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 on the pro-rata basis of the carrying amount of each asset (other than goodwill) in the group.

Except for impairment losses related to contract costs, once the impairment losses are recognised for above assets, they will not be reversed in any subsequent period. The Group shall, after the asset impairment related to contract costs has been provided, recognised in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised previously.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

25. Long-term prepaid expenses

✓ Applicable ☐ Not applicable

Long-term prepaid expenses represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year), including leasehold improvement. Long-term prepaid expenses are amortised using the straight-line method over the shorter of the expected useful life of the asset and the lease term.

26. Employee benefits

Employee benefits are all forms of considerations given by the Group in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment 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 treatment of short-term benefits

✓ Applicable ☐ Not applicable

Actually occurred short-term employee benefits are recognised as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognised in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as trade union fund and employee education fund provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognised as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

(2) Accounting treatment of post-employment benefits

✓ Applicable ☐ Not applicable

The Group's benefits after demission are all defined contribution plans, including pension insurance, work injury insurance and enterprise annuity paid by the Group for its employees.

During the accounting period of rendering service to employees of the Group, amount which should be paid according to defined contribution plans is recognised as liabilities, and recognised in profit or loss or related costs of assets.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Employee benefits (continued)

(3) Accounting treatment of termination benefits

✓ Applicable ☐ Not applicable

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 the Group cannot unilaterally withdraw from the termination plan or the redundancy offer and when the Group recognises any related restructuring costs or expenses.

(4) Accounting treatment of other long-term employee benefits

☐ Applicable ✓ Not applicable

27. Provisions

✓ Applicable ☐ Not applicable

Except for contingent consideration arising 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 account 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.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Revenue

(1) Accounting policy for revenue recognition and measurement from business types

✓ Applicable ☐ Not applicable

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

- (I) Revenue from sales of goods and materials;
- (II) Revenue from rendering of maintenance service;
- (III) Revenue from construction contracts.

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increases in shareholders' equity, other than increases relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in a contract by transferring control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, the performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance; or
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Revenue (continued)

(1) Accounting policy for revenue recognition and measurement from business types (continued)

When the Group collects amounts of sold goods or services in advance from the customer, the Group will firstly recognise the amounts as liabilities and then transfer to revenue until satisfying relevant performance obligations. When the receipts in advance is non-refundable and the customer may give up all or part of contract right, and the Group is expected to be entitled to obtain amounts associated with contract rights given up by the customer, the above amounts shall be proportionally recognised as revenue in accordance with the model of exercising contract rights by the customer; otherwise, the Group will transfer the relevant balance of the above liability to revenue only when the probability is extremely low for the customer to require the Group to satisfy remaining 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 the impairment of contract asset are specified in Note V.11. (2) 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. 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.

(2) Specific revenue recognition criteria for the Group

✓ Applicable ☐ Not applicable

(a) Revenue from sales of goods and materials

The Group mainly sells rail transit equipment products, and revenue is usually recognised when the products are received and accepted by customers.

(b) Revenue from rendering of maintenance service

The Group mainly provide maintenance service of rail transit equipment products, and revenue is recognised when the services are completed and accepted by customers.

(c) Revenue from construction contracts

The Group mainly produces offshore products such as deep-sea robots and engages in PV power station EPC projects, and recognises revenue according to the progress of performance.

(3) Differences in revenue recognition accounting policies due to adoption of various operating models for the same type of business

☐ Applicable ✓ Not applicable

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Contract costs

✓ Applicable ☐ Not applicable

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

(1) Costs of obtaining the contract

If the incremental costs (costs that will not occur if no contract obtained) incurred for obtaining the contract are expected to be recovered, the Group recognises it as an asset. The asset mentioned above shall be amortised on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates and recognised in profit or loss for the period. If the amortisation period of the asset does not exceed one year, it is recognised in profit or loss for the period in which it occurs. Other expenses incurred by the Group for obtaining the contract are recognised in profit or loss for the period in which it occurs, except costs that are explicitly chargeable to the customer.

(2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of other standard other than standards on revenue, the Group shall recognised 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 a contract or to an anticipated contract that the Group can specifically identify; (ii) the costs generate or enhance resources of the Group that will be used in satisfying 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.

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.

30. Government grants

✓ Applicable ☐ Not applicable

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Government grants (continued)

(1) Determination basis and accounting treatment of government grants related to assets

Government grants related to assets refer to those acquired by the Group for the purpose of purchasing or constructing or forming long-term assets by other means. A government grant related to an asset is recognised as deferred income and included in profit or loss over the useful life of the related asset on an average distribution basis. The relevant asset is sold, transferred, scrapped or damaged prior to the end of its useful life, the related undistributed deferred income is transferred to the profit or loss of the disposal period.

(2) Determination basis and accounting treatment of government grants related to income

Government grants received by the Group other than those related to assets are recognised as government grants related to income. The Group classifies government grants whose nature is difficult to distinguish as government grants related to income.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income and recognised in profit or loss over the periods in which the related costs or losses are recognised; if the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss.

Discount interest on preferential loans obtained by the Group is allocated to the lending bank, which will provide loans to the Group at the policy concessionary interest rate. The Group uses the actual amount of borrowings received as the recording value of the borrowings and calculates the relevant borrowing costs based on the principal amount of the borrowings and the policy concessionary interest rate.

A government grant related to the Group's daily activities is recognised in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is recognised in non-operating income.

For the return of a government grant already recognised, if there is any related deferred income, the repayment is offset against the carrying amount of the deferred income, with any excess recognised in profit or loss for the period.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Deferred tax assets and deferred tax liabilities

✓ Applicable ☐ Not applicable

Income tax expenses comprise current and deferred tax. Current and deferred tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in other comprehensive income or in shareholders' equity, in which case they are recognised in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

(1) Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

(2) Deferred tax assets and deferred tax liabilities

For differences between the carrying amounts of certain assets or liabilities and their tax base, or between the 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.

Deferred tax is generally recognised for all temporary differences. Deferred tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a single transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction and does not result in taxable temporary differences of equal amount and deductible temporary differences, no deferred tax asset or liability is recognised.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realised or the liability is settled.

On the balance sheet date, the Group will review the carrying value of the deferred income tax asset and write down the carrying value of the deferred income tax asset if it is likely to fail to obtain sufficient taxable income to offset the benefit of the deferred income tax asset in the future. The amount written down is reversed when sufficient taxable income is likely to be obtained.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Deferred tax assets and deferred tax liabilities (continued)

(3) Income tax offsetting

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. When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

32. Leases

✓ Applicable ☐ Not applicable

Lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration.

At inception of the contracts, the Group assesses whether the contract is, or contains, a lease. Unless the terms and conditions of the contract are changed, the Group does not reassess whether a contract is, or contains, a lease.

Judgemental basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees:

✓ Applicable ☐ Not applicable

The Group elects not to recognise right-of-use assets or lease liabilities for short-term leases and leases for which the underlying asset is of low value, including leasing of plant and buildings, machinery and equipment, vehicles, office facilities and others. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and has no options to purchase. A lease for which the underlying asset is of low value is that, the value of the underlying asset is low when it is new. For short-term leases and leases for which the underlying asset is of low value, the Group recognises the lease payments associated with those leases as an expense or cost of relevant asset on a straight-line basis over the lease term.

Lease classification criteria and accounting treatment as a lessee:

✓ Applicable ☐ Not applicable

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Leases (continued)

(1) Separating components of a lease

For a contract that contains lease and non-lease components, the Group allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease components and the aggregate stand-alone price of the non-lease components.

(2) Right-of-use assets

Except for short-term leases and leases for which the underlying asset is of low value, at the commencement date of the lease, the Group recognises right-of-use assets. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Group. The Group measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, if there is a lease incentive, less any lease incentives;
- any initial direct costs incurred by the Group;
- 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, exclusive of the cost incurred for production of inventories.

Right-of-use assets are depreciated based on depreciation provisions in the Accounting Standards for Business Enterprises No. 4 – Fixed Assets. If the Group is reasonably certain, that the lease will transfer ownership of the underlying asset to the Group by the end of the lease term, the right-of-use assets is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use assets is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of 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.24 for details.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Leases (continued)

(3) Lease liabilities

Except for short-term leases and leases for which the underlying asset is of low value, at the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. The Group determines the present value of the lease payments using the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The lease payments comprise the following payments by the Group for the right to use the underlying asset during the lease term, including:

- fixed payments (including in-substance fixed payments), if there is a lease incentive, less any lease incentives;
- variable lease payments that depend on an index or a rate;
- 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 the lease;
- amounts expected to be paid under residual value guarantees provided by the Group.

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, interest on the lease liabilities in each period during the lease term is calculated by a constant periodic rate of interest on the remaining balance of the lease liabilities, and recognised in profit or loss or the cost of relevant assets.

Subsequent to the commencement date of a lease, in case of any of the following circumstances, the Group remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use assets. Where the lease liabilities need to be further reduced even the carrying amount of right-of-use assets has been reduced to zero, the Group recognises the difference in profit or loss for the current period.

- there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, the Group re-measures the lease liabilities, on the basis of the revised lease term and the revised discount rate;
- there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group re-measures the lease liabilities, on the basis of the revised lease payments and the unchanged discount rate. If the change of lease payment arises from the change of variable interest rate, the revised discount rate shall be used to calculate the present value.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Leases (continued)

(4) Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets;
- 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 reallocates the consideration in the contract, and re-measures 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 a lease modification reduces the scope of the lease or shortens the lease term, the Group shall reduce the carrying amount of right-of-use assets accordingly, and recognise the gains or losses on part or complete derecognition of lease in profit or loss of the period. For other lease modifications that result in re-measurement of lease liabilities, the Group shall adjust the carrying amount of right-of-use assets accordingly.

Criteria for classification and accounting treatment of leases as lessors:

✓ Applicable ☐ Not applicable

(1) Separating components of a lease

Where the contract includes both the lease and non-lease components, the Group apportions the contract consideration according to the provisions of Note V.29 on the transaction price sharing. The basis of the apportionment is the individual selling price of the leased part and the non-lease part.

(2) Classification of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(3) The Group as a lessor under operating leases

Receipts of lease under operating leases are recognised as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalised when incurred, and are recognised in profit or loss for the current period on the same basis as recognition of rental income over the lease term. The variable receipts of lease received by the Group that are related to operating leases and not included in receipts of lease are recognised in profit or loss for the period when they are incurred.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. Leases (continued)

(4) Subleases

As the lessor of a sublease, the Group accounts for the original lease contract and the sublease contract on a separate basis. The Group classifies the subleases based on the right-of-use assets generating from the original lease rather than the underlying assets of the original lease.

(5) Lease modifications

For an operating lease modification, the Group accounts for it as a separate lease since the effective date of the modification. The amount received in advance or lease receivable related to the lease before the modification shall be treated as the receivable of the new lease.

33. Other significant accounting policies and accounting estimates

✓ Applicable ☐ Not applicable

(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 relevant 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) 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.

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

34. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are the same or similar in respect of the nature of products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Reportable segments are identified based on operating segments taking into account of materiality principle.

For segment reporting, inter-segment revenues are measured on the basis of the actual transaction prices for such transactions, and segment accounting policies are consistent with those used to prepare the consolidated financial statements.

35. Critical judgement in applying accounting policies and key assumptions and uncertainties in accounting estimates

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual circumstances may differ from these estimates. The Group's management continuously evaluates the key assumptions and judgments involved in the estimates and uncertainties, and the effects of changes in accounting estimates are recognized in the period in which the changes are made and in future periods.

Critical accounting estimates:

Other than the accounting estimates relating to depreciation and amortization of assets such as fixed assets and intangible assets (refer to Notes V.20 and 23) and impairment of various assets (refer to Notes VII.3, 4, 5, 8, 9, 14, 15, 17 and 18 and Notes XIX.1 and 2), the other major accounting estimates are set out below:

- (1) Revenue recognition – The Group recognizes revenue from construction contracts over a period of time, as described in Note V.28. The recognition of revenue and profit from construction contracts depends on the Group's estimates of the contract outcome and the progress of performance. If the actual amount of total revenue and total costs incurred is higher or lower than management's estimates, it will affect the amount of revenue and profit recognized by the Group in future periods;
- (2) Note VII.20 – Recognition of deferred tax assets;
- (3) Note VII.35 – Provision for product quality assurance;

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

✓ Applicable ☐ Not applicable

In 2024, the Group has adopted the revised accounting requirements and guidance under CAS newly issued by the Ministry of Finance ("MOF"), as follows:

- "Accounting for the classification of current liabilities and non-current liabilities" in CAS Bulletin No.17 (Caikuai [2023] No.21) ("Bulletin No. 17");
- "Accounting for the assurance-type warranties" in the Compilation of Guidelines on the Application of Accounting Standards for Business Enterprises 2024.

(a) Main effects of adopting the above requirements and guidance

(i) Accounting for the classification of current liabilities and non-current liabilities

According to Bulletin No. 17, when the Group classifies the liquidity of liabilities, it need only consider whether the Group has the substantive right to postpone the settlement of liabilities to more than one year after the balance sheet date ("the right to postpone the settlement of liabilities"), without the need to consider whether the Group has the subjective possibility of exercising the above right.

For liabilities arising from the Group's loan arrangements, if the Group's right to postpone the settlement of the liabilities depends on whether the Group has complied with the conditions specified in the loan arrangements ("contractual conditions"), the Group need only consider the contractual conditions that should be complied with, on or before the balance sheet date, when classifying the liquidity of related liabilities, without the need to consider the impact of contractual conditions that the Group should comply with after the balance sheet date.

If the Group classifies the above option into an equity instrument and recognises it separately as an equity component of a composite financial instrument, in accordance with the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments, the classification of liquidity of liabilities that the Group settles by delivering its own equity instruments under the settlement condition selected by the counterparty will not be affected. On the contrary, if the above option cannot be classified as an equity instrument, it will affect the liquidity classification of liabilities.

The adoption of Bulletin No.17 does not have a significant effect on the financial position or financial performance of the Group.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Changes in significant accounting policies and accounting estimates (continued)

(1) Changes in significant accounting policies (continued)

(a) Main effects of adopting the above requirements and guidance (continued)

(ii) Presentation of assurance-type warranty expenses

Pursuant to the provisions of the Compilation of Guidelines on the Application of Accounting Standards for Business Enterprises 2024, the Group no longer includes assurance-type warranty expenses into "selling and distribution expenses", but instead recognises them as operating costs of principal activities.

The Group has retrospectively adjusted comparative figures.

(b) The effects on the financial statements

The effects on each of the line items in the consolidated income statement and company income statement for the year ended 30 June 2024 are as follows:

	Increase/(decrease) in the line items for the year as a result of applying the new accounting policies	
	The Group	The Company
Operating costs	560,003,823	430,175,322
Selling and distribution expenses	-560,003,823	-430,175,322

(c) The effects on the comparative financial statements

The effects on each of the line items in the consolidated income statement and company income statement for the year ended 31 December 2023 are as follows:

	Before adjustments	The Group The amounts of adjustments		After adjustments
Operating costs	5,906,592,405	319,352,657		6,225,945,062
Selling and distribution expenses	521,759,413	-319,352,657		202,406,756

	Before adjustments	The Company The amounts of adjustments		After adjustments
Operating costs	4,819,686,842	259,137,626		5,078,824,468
Selling and distribution expenses	349,505,397	-259,137,626		90,367,771

Section X Financial Report

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

36. Changes in significant accounting policies and accounting estimates (continued)

(2) Changes in significant accounting estimates

☐ Applicable ☒ Not applicable

(3) Financial statements for which adjustments were made to the opening balances in the initial year of application of new accounting standards or interpretation since 2024

☐ Applicable ☒ Not applicable

37. Others

☐ Applicable ☒ Not applicable

VI. TAXATION

1. Major categories of taxes and respective tax rates

Major categories of taxes and respective tax rates

☒ Applicable ☐ Not applicable

Tax category	Tax basis	Tax rate
Value-added tax ("VAT")	The output VAT calculate based on taxable income. VAT payable is the net difference between output VAT and deductible input VAT	6-13%
City maintenance and construction tax	VAT actually paid	5%, 7%
Enterprise income tax	Taxable income	25%
Education surcharges	VAT actually paid	3%
Local education surcharges	VAT actually paid	2%

Tax payers with different income tax rates, the disclosure description

☐ Applicable ☒ Not applicable

Section X Financial Report

VI. TAXATION (continued)

2. Tax incentive

✓ Applicable ☐ Not applicable

(1) Value-added tax ("VAT")

In accordance with the Notice of the Ministry of Finance and the State Administration of Taxation on Value-added Tax Policies for Software Products (Cai Shui [2011] No. 100), for the sales of self-developed and produced software products by the Company and its subsidiaries, Zhuzhou Times Electronics Technology Co., Ltd. ("CRRC Times Electronics"), Ningbo CRRC Times Transducer Technology Co., Ltd. ("Ningbo CRRC Times"), Zhuzhou CRRC Times Software Technology Co., Ltd. ("CRRC Times Software"), Hunan CRRC Signal Co., Ltd. ("Hunan CRRC Signal"), Zhuzhou National Engineering Research Centre of Converters Co., Ltd. ("CRRC National Centre of Converters), Ningbo CRRC Times Electric Equipment Co., Ltd. ("Ningbo CRRC Electric"), the refund-upon-collection policy shall be applied to the part of actual VAT burden in excess of 3%.

According to the "Announcement of the Ministry of Finance and the State Administration of Taxation on the Policy of Value-added Tax Credits and Deductions for Enterprises in Advanced Manufacturing Industry (Announcement of the Ministry of Finance and the State Administration of Taxation No. 43 of 2023), the Company and its subsidiaries, Baoji CRRC Times Engineering Machinery Co., Ltd. ("Baoji CRRC Times), Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. ("Taiyuan CRRC Times), Specialist Machine Developments (Shanghai) Co., Ltd. ("Shanghai SMD), Times Electronics, CRRC National Centre of Converters, Hunan CRRC Signal, Qingdao CRRC Electric Equipment Co., Ltd. ("Qingdao CRRC Electric), Ningbo CRRC Times, Ningbo CRRC Electric, Chongqing CRRC Times Electric Technology Co. ("Chongqing CRRC Electric "), Wuxi CRRC Times Electric Drive Technology Co., Ltd. ("Wuxi CRRC Electric Drive) are allowed to deduct extra 5% of the deductible input tax in the current period from the VAT payable from 1 January 2023 to 31 December 2027. Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on the Weighted Deduction Policy for Value-added Tax on Integrated Circuit Enterprises (Announcement No.17 [2023] of the Ministry of Finance and the State Taxation Administration), Zhuzhou CRRC Times Semiconductor Co., Ltd. (Hereinafter referred to as "CRRC Times Semiconductor), a subsidiary of the Company, is allowed to deduct extra 15% of the deductible input tax in the current period from the VAT payable from 1 January 2023 to 31 December 2027.

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VI. TAXATION (continued)

2. Tax incentive (continued)

(2) Enterprise income tax

The main tax incentives for enterprise income tax of the Group are as follows:

In accordance with the provisions of Article 28 under the Enterprise Income Tax Law of the People's Republic of China, high-tech enterprises that require government support are subject to a reduced enterprise income tax rate of 15%. The Company and its subsidiaries CRRC Times Software, CRRC Times Electronics, Ningbo CRRC Electric, Ningbo CRRC Times, CRRC National Centre of Converters, Hunan CRRC Signal, Baoji CRRC Times, Taiyuan CRRC Times, Qingdao CRRC Electric, and Shanghai SMD, obtained the high-tech enterprise certificates approved by the corresponding tax authorities from 2021 to 2023, and were subject to a reduced enterprise income tax rate of 15% in 2023 and 2024. Chongqing CRRC Electric and Wuxi CRRC Electric Drive obtained the high-tech enterprise certificate in November and December 2023, and will be subject to an enterprise income tax at a reduced rate of 15% in 2023 and 2024.

In accordance with the Notice of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration on Tax Policy Issues concerning Further Implementing the Western China Development Strategy (Cai Shui [2011] No. 58), and the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China (Cai Shui [2020] No. 23), Kunming CRRC Times Electric Equipment Co., Ltd. ("Kunming Electric) and Chengdu CRRC Times Electric Technology Co., Ltd. ("Chengdu CRRC Electric) meet the relevant provisions of the preferential enterprise income tax policy for the Western China Development, and therefore Kunming Electric and Chengdu CRRC Electric were subject to a reduced enterprise income tax rate of 15% in 2023 and 2024.

In accordance with the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2019] No. 13) and the Announcement on Relevant Tax Policies for Further Supporting the Development of Micro and Small-sized Enterprises and Individually Owned Businesses (Cai Shui [2023] No. 12), Yixing CRRC Times Semiconductor Co., Ltd. ("Yixing CRRC Semiconductor), a subsidiary of the Company, is qualified to be recognised as a small low-profit enterprise in 2023 and 2024. Therefore, for annual taxable income not exceeding RMB1 million, the annual taxable income amount is computed at a reduced rate of 25% and is subject to enterprise income tax at 20% tax rate. For annual taxable income exceeding RMB1 million but no more than RMB3 million, the annual taxable income is computed at a reduced rate of 50% and is subject to a tax rate of 20% for the enterprise income tax.

Section X Financial Report

VI. TAXATION (continued)

2. Tax incentive (continued)

(2) Enterprise income tax (continued)

In accordance with the Circular on Printing and Issuing the List of the Integrated Circuit Enterprises or Projects and Software Enterprises Entitled to Enjoy the Preferential Taxation Policies (Fa Gai Gao Ji [2021] No. 756) issued by the National Development and Reform Commission ("NDRC"), the Ministry of Industry and Information Technology ("MIIT"), the MoF, the General Administration of Customs and the State Taxation Administration ("STA") and the Circular of the State Council on Printing and Issuing Certain Policies for Promoting High-quality Development of Integrated Circuit Industry and Software Industry in the New Times (Guo Fa [2020] No. 8) issued by the State Council, the manufacturers for integrated circuit with line width less than 130 nanometres (inclusive) have been entitled to the preferential policy of "two-year exemption and three-year half payment for enterprise income tax, CRRC Times Semiconductor, a subsidiary of the Company, has been entitled to the preferential tax policy of "two-year exemption and three-year half payment since 2019, and was subject to a preferential enterprise income tax rate of 12.5% in 2023. CRRC Times Semiconductor obtained the high-tech enterprise certificate in October 2023, and will be subject to an enterprise income tax at a reduced rate of 15% from 2024.

In accordance with the Enterprise Income Tax Law of the People's Republic of China, the Notice of the Ministry of Finance, the State Taxation Administration and the Ministry of Science and Technology on Improving the Policies for the Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2015] No. 119), the Announcement on Further Improvements to Policies for Weighted Pre-tax Deduction of R&D Expenses (Announcement [2023] No. 7 of the Ministry of Finance and the State Taxation Administration), the Announcement of the Ministry of Finance, the State Taxation Administration and the Ministry of Science and Technology on Increasing Efforts for Pre-tax Deduction to Support Scientific and Technological Innovation (Announcement [2022] No.28) and the Announcement on Increasing the Proportion of Weighted Deduction of R&D Expenses of Enterprises for Integrated Circuit and Industrial Master Machine (Announcement [2023] No.44), regarding the R&D expenses actually incurred in the course of R&D activities in the manufacturing industry by the Company and its subsidiaries, including CRRC Times Electronics, Baoji CRRC Times, Ningbo CRRC Times, Ningbo CRRC Electric, Qingdao CRRC Electric, Hunan CRRC Signal, CRRC National Centre of Converters, Shanghai CRRC SMD, Chongqing CRRC Electric, Taiyuan CRRC Times, Shenyang CRRC Times Transportation Equipment Co., Ltd. ("Shenyang CRRC Times), CRRC Times Software and Hunan CRRC Times Electric Drive Technology Co., Ltd. ("Hunan CRRC Electric Drive), an extra 100% of the amount of R&D actually incurred in 2023 and 2024 is deductible before tax payment, in addition to the deduction of actual expenses as prescribed, provided that the said expenses are not recognised as intangible asset and included in the current profits and losses; if the said expenses have been recognised as an intangible asset, such expenses may be amortised at the rate of 200% of the costs of the intangible assets before tax payment in 2023 and 2024. For CRRC Times Semiconductor, an extra 120% of the amount of R&D actually incurred during the period from 1 January 2023 to 31 December 2027 is deductible before tax payment, in addition to the deduction of actual expenses as prescribed, provided that the said expenses are not recognised as intangible asset and included in the current profits and losses; if the said expenses have been recognised as an intangible asset, such expenses may be amortised at the rate of 220% of the costs of the intangible assets before tax payment in the above period.

In accordance with the Announcement of the State Administration of Taxation on Issues Relating to Enterprise Income Tax on Income Derived from Transfer of Licence to Use Technology (State Administration of Taxation Announcement [2015] No. 82), the portion of the Company's income derived from technology transfer, which does not exceed RMB5 million, shall be exempted from enterprise income tax; the portion which exceeds RMB5 million shall be subject to enterprise income tax at 50% reduction in 2023.

3. Others

☐ Applicable ☒ Not applicable

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	23,222	26,441
Bank deposits	10,090,482,331	7,546,675,642
Other monetary funds	407,357,162	62,172,390
Cash deposited in the finance company	290,506,856	294,302,867
Total	10,788,369,571	7,903,177,340
Including: Total funds deposited overseas	330,587,264	219,250,200

The Group's other monetary funds are as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Security deposits of the letter of guarantee	—	900
Security deposits of the bank acceptances	407,357,162	62,171,490
Total	407,357,162	62,172,390

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

1. Cash and bank balances (continued)

The Group's time deposits at the bank with more than three months that are not pledged are as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Time deposits with more than three months	<u>1,249,286,000</u>	<u>831,565,996</u>

Other information:

None

2. Held-for-trading financial assets

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Specify the justification and basis
Financial assets at FVTPL	3,491,174,764	4,776,392,878	/
Including:			
Structured deposits	<u>3,491,174,764</u>	<u>4,776,392,878</u>	/
Total	<u>3,491,174,764</u>	<u>4,776,392,878</u>	/

Other information:

☒ Applicable ☐ Not applicable

The Group's financial assets at fair value through profit or loss are mainly structured deposits held by the Group. As at 30 June 2024, the yield rate per annum of structured deposits held by the Group ranges from 0.45% to 4.39% (31 December 2023: 1.05% to 5.05%).

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable

(1) Category of bills receivable

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptances	330,544,156	487,296,226
Commercial acceptances	657,183,521	1,892,185,109
Less: Provision for credit loss	1,414,287	2,599,116
Total	986,313,390	2,376,882,219

(2) Pledged bills receivable at the end of the period

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Pledged amount at the end of the period
Bank acceptances	319,778
Total	319,778

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable (continued)

(3) Bills receivable endorsed or discounted by the Group at the end of the period and not yet due on the balance sheet date

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount not derecognised at the end of the period
Bank acceptances	2,411,862
Commercial acceptances	17,681,354
Total	20,093,216

(4) Notes receivable for which provision for credit loss is assessed on a portfolio basis

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance			Gross carrying amount		Credit loss allowance		
	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value
Provision on portfolio basis including:	987,727,677	100.00	1,414,287	0.14	986,313,390	2,379,481,335	100.00	2,599,116	0.11	2,376,882,219
Commercial acceptances	657,183,521	66.53	1,414,287	0.22	655,769,234	1,892,185,109	79.52	2,599,116	0.14	1,889,585,993
Bank acceptances	330,544,156	33.47	-	-	330,544,156	487,296,226	20.48	-	-	487,296,226
Total	987,727,677	100.00	1,414,287	0.14	986,313,390	2,379,481,335	100.00	2,599,116	0.11	2,376,882,219

Bank acceptances

As at 30 June 2024, the Group considered that the credit rating of the acceptance bank was relatively high and there was no significant credit risk. Therefore, no provision for credit losses was made.

Commercial acceptances

Provision for credit loss of commercial acceptances is assessed on a portfolio basis of four categories of customers, each of which involves a large number of customers with the same risk characteristics.

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable (continued)

(4) Notes receivable for which provision for credit loss is assessed on a portfolio basis (continued)

Commercial acceptances (continued)

Bills receivable for which provision for credit loss is assessed individually:

☐ Applicable ☒ Not applicable

Analysis of bills receivable for which provision for credit loss is assessed on a portfolio basis of four categories of customers is as follows:

☒ Applicable ☐ Not applicable

Portfolio accrual items:

2024

Unit: Yuan Currency: RMB

Item	Closing balance		Expected average loss rate (%)
	Gross carrying amount	Provision for credit loss	
Bank acceptances	330,544,156	—	—
Receivables from central state-owned enterprise except State Railway Group	370,746,726	370,747	0.10
Receivables from local government or local state-owned enterprise	14,285,740	142,857	1.00
Receivables from State Railway Group (Note)	270,099,885	859,660	0.32
Receivables from other customers	2,051,170	41,023	2.00
Total	987,727,677	1,414,287	

Note: State Railway Group represents China State Railway Group Co., Ltd., and its affiliates.

2023

Unit: Yuan Currency: RMB

Item	Closing balance		Expected average loss rate (%)
	Gross carrying amount	Provision for credit loss	
Bank acceptances	487,296,226	—	—
Receivables from central state-owned enterprise except State Railway Group	267,282,603	267,283	0.10
Receivables from local government or local state-owned enterprise	11,947,877	119,479	1.00
Receivables from State Railway Group	1,612,954,629	2,212,354	0.14
Total	2,379,481,335	2,599,116	

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable (continued)

(4) Notes receivable for which provision for credit loss is assessed on a portfolio basis (continued)

Recognition criteria and description of accrual provision for credit loss

☐ Applicable ☒ Not applicable

If the provision for credit loss is accrued according to the general model, please refer to the Note of Other Receivable.

☐ Applicable ☒ Not applicable

(5) Provision for credit loss of bills receivable:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change amount in the current period			Closing balance
		Provision	Recoveries or reversals	Transfers out or written-off	
Commercial acceptances	2,599,116	374,347	-1,559,176	–	1,414,287
Total	2,599,116	374,347	-1,559,176	–	1,414,287

Significant recoveries or reversals during the period:

☐ Applicable ☒ Not applicable

Other information:

None

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Bills receivable (continued)

(6) Bills receivable actually written off in the current period

☐ Applicable ☒ Not applicable

Other information:

☒ Applicable ☐ Not applicable

As at 30 June 2024, bills receivable due from related parties of the Group are set out in Note XIV.6.

4. Accounts receivable

(1) Disclosed by ageing

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 1 year		
Among them: Sub-items within 1 year		
Within 6 months	8,466,250,977	7,569,983,937
6 months to 1 year	3,027,022,306	1,224,788,516
Subtotal within 1 year	11,493,273,283	8,794,772,453
1 to 2 years	1,244,352,524	802,505,064
2 to 3 years	315,224,214	363,889,755
Over 3 years	218,056,592	194,775,712
Total	13,270,906,613	10,155,942,984
Less: Provision for credit loss	617,301,802	520,099,001
Book Value	12,653,604,811	9,635,843,983

The aging of accounts receivable of the Group is divided based on the recognition date.

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance			Gross carrying amount		Credit loss allowance		
	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value	Amount	Percentage (%)	Amount	Proportion of provision (%)	Book value
Provision on individual basis	47,543,169	0.36	47,543,169	100.00	-	39,459,582	0.39	39,459,582	100.00	-
Provision on portfolio basis	13,223,363,444	99.64	569,758,633	4.31	12,653,604,811	10,116,483,402	99.61	480,639,419	4.75	9,635,843,983
Including:										
Receivables from central state-owned enterprise except State Railway Group	7,125,087,936	53.69	137,962,367	1.94	6,987,125,569	4,104,785,693	40.41	89,695,353	2.19	4,015,090,340
Receivables from local government or local state-owned enterprise	3,372,075,114	25.41	330,825,126	9.81	3,041,249,988	2,831,218,666	27.88	295,697,208	10.44	2,535,521,458
Receivables from State Railway Group	962,343,744	7.25	3,888,343	0.40	958,455,401	1,198,975,833	11.81	4,370,302	0.36	1,194,605,531
Receivables from other customers	1,763,856,650	13.29	97,082,797	5.50	1,666,773,853	1,981,503,210	19.51	90,876,556	4.59	1,890,626,654
Total	13,270,906,613	100.00	617,301,802	/	12,653,604,811	10,155,942,984	100	520,099,001	/	9,635,843,983

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Material accounts receivable for which provision for credit loss is assessed individually:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Entity	Gross carrying amount	Closing balance		
		Provision for credit loss	Proportion of provision (%)	Reason for provision
Sky Auto (Changsha) Group Co.	16,035,328	16,035,328	100.00	Low probability of recovery
others	31,507,841	31,507,841	100.00	Low probability of recovery
Total	<u>47,543,169</u>	<u>47,543,169</u>	<u>100.00</u>	/

Description of accounts receivable for which credit loss allowance is provided on an individual basis:

☐ Applicable ☒ Not applicable

Analysis of accounts receivable for which credit loss allowance is provided on a portfolio basis:

☒ Applicable ☐ Not applicable

Items for which the credit loss is assessed collectively: Receivables from central state-owned enterprise except State Railway Group

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	
		Provision for credit loss	Proportion of provision (%)
Within 6 months	4,845,974,568	53,034,587	1.09
6 months to 1 year	1,644,027,663	30,035,320	1.83
1 to 2 years	513,575,689	31,442,291	6.12
2 to 3 years	87,943,561	10,091,250	11.47
Over 3 years	<u>33,566,455</u>	<u>13,358,919</u>	<u>39.80</u>
Total	<u>7,125,087,936</u>	<u>137,962,367</u>	

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Unit: Yuan Currency: RMB

Item	Accounts receivable	Opening balance Provision for credit loss	Proportion of provision (%)
Within 6 months	3,178,449,040	41,677,278	1.31
6 months to 1 year	569,548,661	8,701,350	1.53
1 to 2 years	246,349,172	18,961,074	7.70
2 to 3 years	84,072,801	7,536,516	8.96
Over 3 years	26,366,019	12,819,135	48.62
Total	4,104,785,693	89,695,353	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable

Items for which the credit loss is assessed collectively:

Receivables from local government or local state-owned enterprise

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,561,004,169	104,000,487	6.66
6 months to 1 year	958,602,286	62,003,851	6.47
1 to 2 years	519,281,396	67,416,668	12.98
2 to 3 years	179,760,028	43,533,360	24.22
Over 3 years	153,427,235	53,870,760	35.11
Total	3,372,075,114	330,825,126	

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Unit: Yuan Currency: RMB

Item	Accounts receivable	Opening balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,640,233,501	105,511,631	6.43
6 months to 1 year	408,271,666	29,492,410	7.22
1 to 2 years	395,690,520	51,220,636	12.94
2 to 3 years	234,106,123	55,780,404	23.83
Over 3 years	152,916,856	53,692,127	35.11
Total	2,831,218,666	295,697,208	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable

Items for which the credit loss is assessed collectively: Receivables from State Railway Group

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	636,938,289	1,337,476	0.21
6 months to 1 year	250,182,327	1,113,759	0.45
1 to 2 years	72,974,522	1,298,588	1.78
2 to 3 years	2,248,606	138,520	6.16
Over 3 years	—	—	—
Total	962,343,744	3,888,343	

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Unit: Yuan Currency: RMB

Item	Accounts receivable	Opening balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,034,228,391	2,971,929	0.29
6 months to 1 year	125,379,180	561,613	0.45
1 to 2 years	37,915,908	750,458	1.98
2 to 3 years	1,365,292	30,719	2.25
Over 3 years	87,062	55,583	63.84
Total	<u>1,198,975,833</u>	<u>4,370,302</u>	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable

Items for which the credit loss is assessed collectively: Receivables from other customers

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,421,757,570	48,895,622	3.44
6 months to 1 year	172,322,972	13,178,245	7.65
1 to 2 years	110,531,699	16,738,199	15.14
2 to 3 years	43,013,600	12,361,141	28.74
Over 3 years	16,230,809	5,909,590	36.41
Total	<u>1,763,856,650</u>	<u>97,082,797</u>	

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Unit: Yuan Currency: RMB

Item	Accounts receivable	Opening balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,717,073,006	51,476,996	3.00
6 months to 1 year	116,301,615	8,645,734	7.43
1 to 2 years	99,620,797	17,934,232	18.00
2 to 3 years	43,634,448	10,128,407	23.21
Over 3 years	4,873,344	2,691,187	55.22
Total	1,981,503,210	90,876,556	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable

Provisions for bad and doubtful debts based on the general model of ECL:

☐ Applicable ☒ Not applicable

Basis of stage classification and percentage of provision for bad and doubtful debts:

Loss allowances for trade receivables are measured at an amount equal to lifetime ECL.

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

The description of significant changes in the carrying amount of accounts receivable for which a change in the allowance for losses occurred during the period:

☐ Applicable ☒ Not applicable

(3) Provision for credit loss of accounts receivable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Change amount in the current period				Differences resulting from the translation of foreign currency financial statements	Closing balance
	Opening balance	Provision	Transferred to credit-impaired losses	Recoveries or reversals		
Lifetime ECL (Not credit – impaired)	249,038,942	94,643,735	-30,083,321	–	-8	313,599,348
Lifetime ECL (Credit – impaired)	271,060,059	2,559,074	30,083,321	–	–	303,702,454
Total	520,099,001	97,202,809	–	–	-8	617,301,802

Significant recoveries or reversals during the current period:

☐ Applicable ☒ Not applicable

Other information:

None

(4) Accounts receivable that are actually written-off are as follows

☐ Applicable ☒ Not applicable

Significant accounts receivable write-offs:

☐ Applicable ☒ Not applicable

Description of accounts receivable write-offs:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Accounts receivable (continued)

(5) Top five accounts receivable and contract assets categorised by debtors

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total accounts receivable and contract assets (%)	Closing provision for credit loss
Customer 100507	1,974,526,257	14,975,038	1,989,501,295	13.63	33,399,799
Customer 100511	650,887,261	13,176,349	664,063,610	4.55	10,869,215
Customer 103233	500,966,390	111,265,819	612,232,209	4.20	50,213,735
Customer 100979	291,542,915	22,176,721	313,719,636	2.15	11,747,986
Customer 126052	261,459,026	—	261,459,026	1.79	5,802,197
Total	<u>3,679,381,849</u>	<u>161,593,927</u>	<u>3,840,975,776</u>	<u>26.32</u>	<u>112,032,932</u>

The closing balance of contract assets includes contract assets shown in “other non-current assets”.

Other information:

None

Other information:

☐ Applicable ☒ Not applicable

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Contract assets

(1) Details of contract assets:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance Provision for asset loss	Book value	Gross carrying amount	Opening balance Provision for asset loss	Book value
Quality guarantee funds receivable	1,150,562,122	50,220,501	1,100,341,621	1,196,800,649	52,062,821	1,144,737,828
Construction service contract assets	170,649,389	–	170,649,389	53,765,586	–	53,765,586
Less: Contract assets included in other non-current assets (Note VII. 21)	791,706,033	33,047,059	758,658,974	848,925,652	39,451,828	809,473,824
Total	529,505,478	17,173,442	512,332,036	401,640,583	12,610,993	389,029,590

The quality guarantee funds receivable mentioned above mainly include quality guarantee funds related to sales contracts, construction contracts and maintenance service contracts. The Group's construction contracts related to the construction of some offshore products such as deep-sea robots are recognised based on the performance progress. Any difference between the revenue recognised based on the performance progress and the contract consideration collected after the customer completes the acceptance check and work settlement shall be recognised as contract assets, because the contractual terms and conditions for receiving the consideration are not yet satisfied. When the Group is unconditionally entitled to consideration upon provision of corresponding services to the customer, the contract assets would be recognised as accounts receivable.

(2) Amount and reasons for significant changes in book value during the reporting period

☐ Applicable ☒ Not applicable

(3) Disclosure by bad debt accrual method

☐ Applicable ☒ Not applicable

Material contract assets for which provision for credit loss is assessed individually:

☐ Applicable ☒ Not applicable

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Contract assets (continued)

(3) Disclosure by bad debt accrual method (continued)

Description of contract assets for which credit loss allowance is provided on an individual basis:

☐ Applicable ☒ Not applicable

Contract assets for which credit loss allowance is provided on a portfolio basis:

☐ Applicable ☒ Not applicable

Provisions for bad and doubtful debts based on the general model of ECL:

☐ Applicable ☒ Not applicable

Basis of stage classification and percentage of provision for bad and doubtful debts:

Loss allowances for contract assets are measured at an amount equal to lifetime ECLs.

Descriptions on significant movements in the carrying amount of contract assets which have seen:

☐ Applicable ☒ Not applicable

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Contract assets (continued)

(4) Provision for asset loss of contract assets is as follows

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items	Provision during the period	Reversals during the period	Transfer out/ written-off	Reason
Lifetime ECL – Not credit impaired	10,982,902	-6,420,453	–	
Lifetime ECL – Credit impaired	–	–	–	
Total	<u>10,982,902</u>	<u>-6,420,453</u>	<u>–</u>	/

The amount of bad debt provisions recovered or reversed during the period is significant:

☐ Applicable ☒ Not applicable

Other information:

As at 30 June 2024, book value of contract assets of related parties of the Group are set out in Note XIV. 6.

(5) Actual contract assets written off during the period

☐ Applicable ☒ Not applicable

Significant contract assets write-offs:

☐ Applicable ☒ Not applicable

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Contract assets (continued)

(5) Actual contract assets written off during the period (continued)

Description of contract assets write-offs:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

6. Trade receivables financing

(1) Presentation of receivables financing classifications:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bills receivable measured at fair value	1,716,988,741	1,623,630,832
Trade receivable measured at fair value	3,068,291,900	2,887,920,287
Total	4,785,280,641	4,511,551,119

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Trade receivables financing (continued)

Increase/decrease changes and fair value changes of trade receivables financing in the current period:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cost	4,847,187,693	4,597,158,124
Carrying amount	4,785,280,641	4,511,551,119
Accumulated changes in fair value	-61,907,052	-85,607,005

The Group discounted and endorsed a part of bank acceptances while transferred a part of accounts receivable according to its daily fund management needs, which qualified for derecognition. Therefore, such part of notes receivable and accounts receivable were classified by the Group as financial assets at fair value through other comprehensive income.

(2) Bills receivable pledged at the end of the period

☐ Applicable ☒ Not applicable

(3) Notes receivable endorsed or discounted by the Group at the end of the period and not yet due on the balance sheet date

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at the end of the period
Bank acceptances	764,392,126
Total	764,392,126

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Trade receivables financing (continued)

(4) Disclosure by bad debt accrual method

☐ Applicable ☒ Not applicable

Provision for bad debts is made on an individual basis:

☐ Applicable ☒ Not applicable

Description of bad debt provisioning by individual item:

☐ Applicable ☒ Not applicable

Provision for bad debts by portfolio:

☐ Applicable ☒ Not applicable

Provisions for bad and doubtful debts based on the general model of ECL:

☐ Applicable ☒ Not applicable

Basis of stage classification and percentage of provision for bad and doubtful debts:

None

Explanation of significant changes in the carrying amount of receivables financing for which changes in the allowance for losses occurred during the period:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Trade receivables financing (continued)

(5) Provision for bad debts

☐ Applicable ☒ Not applicable

Provision for bad debts for the period recovered or reversed in amounts that are significant:

☐ Applicable ☒ Not applicable

Other description:

None

(6) Receivables financing actually written off during the period

☐ Applicable ☒ Not applicable

Significant accounts receivable financing written off during the period

☐ Applicable ☒ Not applicable

Description of write-offs:

☐ Applicable ☒ Not applicable

(7) Changes in trade receivables financing and fair value changes

☐ Applicable ☒ Not applicable

(8) Other information

☒ Applicable ☐ Not applicable

As at 30 June 2024, trade receivables financing due from related parties of the Group are set out in Note XIV \ 6

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Prepayments

(1) Ageing analysis of prepayments is as follows:

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance		Opening balance	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	551,465,488	86.84	665,238,909	88.94
1 to 2 years	70,624,434	11.12	76,010,654	10.16
2 to 3 years	9,979,548	1.57	4,236,211	0.57
Over 3 years	2,974,831	0.47	2,443,185	0.33
Total	635,044,301	100.00	747,928,959	100.00

(2) Top five balances of prepayments categorised by receivers

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing balance	Proportion to total closing balance of prepayments (%)
Supplier 719435	40,013,328	6.30
Supplier 729393	32,121,174	5.06
Supplier 739007	19,901,467	3.13
Supplier 801158	17,661,191	2.78
Supplier 738302	17,439,268	2.75
Total	127,136,428	20.02

Other information

✓ Applicable ☐ Not applicable

As at 30 June 2024, prepayments made to related parties of the Group are set out in Note XIV.6.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables

Details of items

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	—	—
Dividends receivable	—	—
Other receivables	258,174,784	232,027,285
Total	258,174,784	232,027,285

Other information:

☒ Applicable ☐ Not applicable

As at 30 June 2024, other receivables due from related parties of the Group are set out in Note XIV.6.

Interest receivable

(1) Classification of interest receivable

☐ Applicable ☒ Not applicable

(2) Significant overdue interest

☐ Applicable ☒ Not applicable

(3) Disclosure by bad debt accrual method

☐ Applicable ☒ Not applicable

(4) Provision for bad debts

☐ Applicable ☒ Not applicable

(5) Actual interest receivable written off during the period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Dividends receivable

(1) Dividends receivable

☐ Applicable ☒ Not applicable

(2) Significant dividends receivable with ageing over 1 year

☐ Applicable ☒ Not applicable

(3) Disclosure by bad debt accrual method

☐ Applicable ☒ Not applicable

(4) Provision for bad debts

☐ Applicable ☒ Not applicable

(5) Actual dividends receivable written off during the period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Other receivables

(1) Other receivables disclosed by aging

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 1 year		
Including: subitems within 1 year		
Within 6 months	112,859,142	155,728,365
6 months to 1 year	75,327,313	11,935,624
Subtotal within 1 year	188,186,455	167,663,989
1 to 2 years	16,512,923	25,929,770
2 to 3 years	15,227,051	7,954,647
Over 3 years	49,027,022	41,072,375
Less: Credit loss allowance for other receivables	10,778,667	10,593,496
Total	258,174,784	232,027,285

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Other receivables (continued)

(2) Other receivables categorized by nature

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deposits and guarantees	128,212,462	130,289,490
Others	140,740,989	112,331,291
Total	268,953,451	242,620,781

(3) Details of provision for credit loss allowance

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

	Phase 1 12-month ECL	Phase 2 Lifetime ECL – Not credit impaired	Phase 3 Lifetime ECL – Credit impaired	Total
Credit loss allowance				
Balance at 1 January 2024	10,593,496	–	–	10,593,496
The balance is in the current period on				
January 1, 2024	10,593,496	–	–	10,593,496
– Transfer to Phase 2	–	–	–	–
– Transfer to Phase 3	–	–	–	–
– Transfer back to Phase 2	–	–	–	–
– Transfer back to Phase 1	–	–	–	–
Provision	8,939,491	–	–	8,939,491
Reversal	-8,754,320	–	–	-8,754,320
Transfer out	–	–	–	–
Written-off	–	–	–	–
Other changes	–	–	–	–
Balance at 30 June 2024	10,778,667	–	–	10,778,667

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Other receivables (continued)

(3) Details of provision for credit loss allowance (continued)

Basis of stage classification and percentage of provision for bad debts:

As at 30 June 2024, the Group had no other receivables that were at the phase 2 and phase 3.

Disclose significant changes in the balance of other receivables of which the loss allowance has changed in the current period:

☐ Applicable ☒ Not applicable

Disclose the basis of the provision of credit loss and the assessment regarding whether there is a significant increase in the credit risk of financial instruments:

☐ Applicable ☒ Not applicable

(4) Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Change amount in the current period			Closing balance
			Recoveries or reversals	Transfers out or written-off	Other changes	
Bad debt provision for other receivables	10,593,496	8,939,491	-8,754,320	-	-	10,778,667

Significant recoveries or reversals during the current period:

☐ Applicable ☒ Not applicable

Other information:

None

(5) Other receivables actually written off in the current period

☐ Applicable ☒ Not applicable

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

8. Other receivables (continued)

Other receivables (continued)

(6) Top five other receivables categorised by debtors

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing gross carrying value	Proportion to total closing balance of other receivables (%)	Nature	Ageing	Closing balance of provision for credit loss
Customer 129596	42,408,602	15.77	Others	Within 1 year	3,084,410
Customer 103233	34,084,370	12.67	Deposits and guarantees	Within 1 year and over 5 years	2,478,982
Customer 100420	17,834,805	6.63	Others	Within 1 year	20,848
Customer 123355	15,646,500	5.82	Deposits and guarantees	Within 1 year	1,137,982
Customer 126515	15,000,000	5.58	Deposits and guarantees	4 to 5 years	1,261,500
Total	<u>124,974,277</u>	46.47	/	/	<u>7,983,722</u>

(7) Presented in other receivables due to centralized management of funds

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

9. Inventories

(1) Category of inventories

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance		Gross carrying amount	Opening balance	
		Provision for decline in value	Book Value		Provision for decline in value	Book Value
Raw materials	1,067,510,919	158,998,229	908,512,690	914,724,706	140,105,901	774,618,805
Work in progress	1,670,017,210	108,427,157	1,561,590,053	1,466,013,280	78,130,292	1,387,882,988
Finished goods	3,528,571,303	17,248,023	3,511,323,280	3,259,369,921	25,663,455	3,233,706,466
Turnover materials	76,488,229	4,188,637	72,299,592	49,341,460	2,592,923	46,748,537
Total	6,342,587,661	288,862,046	6,053,725,615	5,689,449,367	246,492,571	5,442,956,796

(2) Data resources recognized as inventory

☐ Applicable ✓ Not applicable

(3) Provision for decline in value of inventories and impairment of costs to fulfil a contract with a customer:

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Provision	Reversal or write-off	Translation differences of financial statements denominated in foreign currencies		
Raw materials	140,105,901	25,680,736	6,460,539	327,869		158,998,229
Work in progress	78,130,292	37,032,384	6,682,902	52,617		108,427,157
Finished goods	25,663,455	7,713,915	16,130,578	-1,231		17,248,023
Turnover materials	2,592,923	1,595,714	—	—		4,188,637
Total	246,492,571	72,022,749	29,274,019	379,255		288,862,046

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

9. Inventories (continued)

(3) Provision for decline in value of inventories and impairment of costs to fulfil a contract with a customer: (continued)

Reasons for reversal or write-off of provision for decline in value of inventories during the period:

☐ Applicable ☒ Not applicable

Provision for decline in value of inventories by portfolio:

☐ Applicable ☒ Not applicable

Provisioning criteria for provision for inventory valuation by portfolio:

☐ Applicable ☒ Not applicable

(4) Description of ending balance of inventory including capitalisation of borrowing costs and the criteria and basis for their calculation

☐ Applicable ☒ Not applicable

(5) Description of amortisation amount of contract performance cost in the current period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

10. Non-current assets due within one year

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Certificate of deposits due within one year	2,195,380,486	1,100,449,970
Long-term receivables due within one year	—	—
Total	2,195,380,486	1,100,449,970

Debt investments due within one year

☐ Applicable ☒ Not applicable

Other debt investments due within one year

☐ Applicable ☒ Not applicable

Other notes on non-current assets due within one year:

None

11. Other current assets

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT retained for deduction	647,154,880	338,315,643
Other taxes prepaid	10,193,494	10,273,344
Certificate of deposits ("CDs")	50,114,166	50,143,500
Total	707,462,540	398,732,487

Other information

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

12. Long-term equity investments

(1) Status of long-term equity investments

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of investees	Balance at 1 January 2023	Increasing investment	Changes for the period Investment income or loss recognised under equity method	Profits declared to be distributed	Balance at 30 June 2023	Impairment provision at 30 June 2023
I. Joint ventures						
ZhuzhouShiling Transportation EquipmentCo.,Ltd. ("Shiling")	109,381,567	-	3,663,249	-	113,044,816	-
ZhejiangTimesLANP New Energy Co.,Ltd. ("Zhejiang LANP")	9,057,178	-	-1,502,784	-	7,554,394	-
ShanghaiShentong CRRC Rail Transit Operation Safety Engineering Technology Research Co., Ltd ("Shanghai shenzhong")	8,246,894	-	15,000	-	8,261,894	-
ZhengzhouTimes Transportation Electrical Equipment Co., Ltd. ("Zhengzhou Times")	13,763,684	-	-63,471	-	13,700,213	-
Guangzhou Qinglan Semiconductor Co., Ltd. ("Qinglan Semiconductor")	136,258,491	-	-10,122,529	-	126,135,962	-
Sub-total	276,707,814	-	-8,010,535	-	268,697,279	-
II. Associates						
Siemens Traction Equipment Ltd., Zhuzhou ("Zhuzhou Siemens")	47,056,480	-	113,562	-	47,170,042	-
Hunan Guoxin Semiconductor Technology Co., Ltd. ("CRRC Guoxin Technology")	53,236,290	-	223,505	-	53,459,795	-
Hunan Times Wabtec Transit Transport & Equipment Co., Ltd. ("Times Wabtec")	16,351,096	-	1,805,592	-	18,156,688	-
Zhixin Semiconductor Co., Ltd. ("Zhixin Semiconductor")	90,918,273	47,000,000	-9,764,651	-	128,153,622	-
CRRC India Private Limited ("CRRC India")	12,042,295	-	120,000	-	12,162,295	-
Wuxi Times Smart Transportation Institute Co., Ltd. ("Wuxi Times")	25,673,111	-	-1,835,677	-	23,837,434	-
Foshan Zhongshi Zhihui Transportation Technology Co., Ltd. ("Foshan Zhongshi")	8,410,311	-	-398,312	-	8,011,999	-
Guangzhou High-speed Rail Technology Co., Ltd. ("Guangzhou High-speed")	3,015,534	-	-81,883	-	2,933,651	-
Sub-total	256,703,390	47,000,000	-9,817,864	-	293,885,526	-
Total	533,411,204	47,000,000	-17,828,399	-	562,582,805	-

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

12. Long-term equity investments (continued)

(2) Impairment testing of long-term equity investments:

☐ Applicable ☒ Not applicable

13. Other equity instrument investments

(1) Status of other equity instrument investments

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Increase in investments	Decrease in investments	Movements during the period		Others	Closing balance	Dividend income recognised for the period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reason for being designated at FVTOCI
				Gains included in other comprehensive income for the period	Losses included in other comprehensive income for the period						
Xicheng CRRC (Wuxi) Urban Transit Transport Engineering Co., Ltd.	190,249,992	-	-	-	-	-	190,249,992	-	-	-	Note 1
CRRC Environmental & Technology Co., Ltd.	30,000,000	-	-	-	-	-	30,000,000	-	-	-	Note 1
Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	8,000,000	-	-	-	-	-	8,000,000	-	-	-	Note 1
Jinhua CRRC Rail Vehicle Co., Ltd.	5,000,000	-	-	-	-	-	5,000,000	-	-	-	Note 1
Total	233,249,992	-	-	-	-	-	233,249,992	-	-	-	/

Note 1: 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, but are not intended to sell in the near term for short-term gain. Therefore, the above investments are designated as financial assets at FVTOCI by the Group.

(2) Description of derecognition in the current period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Fixed assets

Presented by item

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	5,195,773,860	5,232,528,832
Disposal of fixed assets	—	—
Total	5,195,773,860	5,232,528,832

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Fixed assets (continued)

(1) Details of fixed assets

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Plants and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
I. Cost					
1. Opening balance	2,097,646,662	6,516,709,997	42,516,469	728,353,787	9,385,226,915
2. Increases	57,223,560	292,693,267	1,724,587	11,203,160	362,844,574
(1) Additions	5,018,005	76,520,416	1,710,162	11,238,440	94,487,023
(2) Transfer from construction in progress	51,050,799	216,962,176	–	–	268,012,975
(3) Translation differences arising from translation of foreign currency financial statements	1,154,756	-789,325	14,425	-35,280	344,576
3. Decreases	308,750	35,155,267	1,495,860	4,098,692	41,058,569
(1) Disposal or retirement	308,750	35,155,267	1,495,860	4,098,692	41,058,569
4. Closing balance	2,154,561,472	6,774,247,997	42,745,196	735,458,255	9,707,012,920
II. Accumulated depreciation					
1. Opening balance	731,832,079	2,831,232,542	37,251,856	500,242,564	4,100,559,041
2. Increases	34,006,804	320,658,717	844,285	39,714,712	395,224,518
(1) Provision	33,950,054	321,027,290	829,860	39,723,809	395,531,013
(2) Translation differences arising from translation of foreign currency financial statements	56,750	-368,573	14,425	-9,097	-306,495
3. Decreases	270,697	30,759,316	1,352,456	3,328,704	35,711,173
(1) Disposal or retirement	270,697	30,759,316	1,352,456	3,328,704	35,711,173
4. Closing balance	765,568,186	3,121,131,943	36,743,685	536,628,572	4,460,072,386
III. Provision for impairment					
1. Opening balance	10,513,264	41,625,778	–	–	52,139,042
2. Increases	–	–	–	–	–
3. Decreases	–	972,368	–	–	972,368
(1) Disposal or scrapping	–	972,368	–	–	972,368
4. Closing balance	10,513,264	40,653,410	–	–	51,166,674
IV. Carrying amount					
1. Carrying amount at the end of the period	1,378,480,022	3,612,462,644	6,001,511	198,829,683	5,195,773,860
2. Carrying amount at the beginning of the period	<u>1,355,301,319</u>	<u>3,643,851,677</u>	<u>5,264,613</u>	<u>228,111,223</u>	<u>5,232,528,832</u>

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Fixed assets (continued)

(2) Fixed assets temporary idle

☐ Applicable ☒ Not applicable

(3) Fixed assets leased out under operating leases

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Plants and buildings	32,328,149	38,200,943
Total	32,328,149	38,200,943

(4) Details of fixed assets of which property right certificates had not been obtained yet

☐ Applicable ☒ Not applicable

(5) Impairment testing of fixed assets

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Disposal of fixed assets

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

15. Construction in progress

Presented by item

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	3,197,950,382	1,261,506,969
Construction materials	—	—
Total	3,197,950,382	1,261,506,969

Other information:

None

Construction in progress

(1) Details of construction in progress:

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Book value	Gross carrying amount	Provision for impairment	Book value
Chencang base project	303,456,861	—	303,456,861	228,608,016	—	228,608,016
Innovation experiment platform construction project	354,355,466	—	354,355,466	304,461,056	—	304,461,056
Automobile components supporting construction project	—	—	—	144,838,605	—	144,838,605
Industrialization of Medium and Low Voltage Power Devices (Yixing) Construction Project	2,067,914,200	—	2,067,914,200	310,592,379	—	310,592,379
New Energy Vehicle Electric Drive System and Components Manufacturing Base (Zhuzhou) Construction Project	256,950,965	—	256,950,965	156,855,686	—	156,855,686
Others	215,272,890	—	215,272,890	116,151,227	—	116,151,227
Total	3,197,950,382	—	3,197,950,382	1,261,506,969	—	1,261,506,969

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

15. Construction in progress (continued)

Construction in progress (continued)

(2) Movements of significant construction in progress for the period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of item	Budget	Opening balance	Increase	Transferred to fixed assets	Transferred to intangible assets	Other decrease	Closing balance	Proportion of amount injected to the budget (%)	Source of funding
Chencang base project	600,000,000	228,608,016	74,848,845	-	-	-	303,456,861	70	Raised funds and self-raised
Innovation experiment platform construction project	991,600,000	304,461,056	49,894,410	-	-	-	354,355,466	62	Raised funds and self-raised
Automobile components supporting construction project	3,337,700,000	144,838,605	81,335,031	197,890,192	5,530,976	22,752,468	-	100	Self-raised
Industrialization of Medium and Low Voltage Power Devices (Yixing) Construction Project	5,825,830,000	310,592,379	1,757,321,821	-	-	-	2,067,914,200	54	Loan and self-raised
New Energy Vehicle Electric Drive System and Components Manufacturing Base (Zhuzhou) Construction Project	1,107,990,000	156,855,686	100,095,279	-	-	-	256,950,965	26	Self-raised
Total	<u>11,863,120,000</u>	<u>1,145,355,742</u>	<u>2,063,495,386</u>	<u>197,890,192</u>	<u>5,530,976</u>	<u>22,752,468</u>	<u>2,982,677,492</u>	<u>/</u>	<u>/</u>

(3) Provision for impairment of construction in progress in the current period

☐ Applicable ☒ Not applicable

(4) Impairment testing of construction in progress

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

Construction materials

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

16. Right-of-use assets

(1) Details of right-of-use assets

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights (Note 1)	Plants and buildings	Machinery and equipment	Motor vehicles	Office facilities and others	Total
I. Cost						
1. Opening balance	23,535,849	284,466,716	107,023,679	12,650,274	826,945	428,503,463
2. Increases	–	29,054,558	15,382,820	2,574,398	–	47,011,776
(1) Newly added lease	–	28,950,921	15,270,436	2,206,454	–	46,427,811
(2) Translation differences of financial statements denominated in foreign currencies	–	103,637	112,384	367,944	–	583,965
3. Decreases	–	31,939,477	3,541,609	976,422	–	36,457,508
(1) Expiration or termination of the lease contract	–	31,939,477	3,541,609	976,422	–	36,457,508
4. Closing balance	23,535,849	281,581,797	118,864,890	14,248,250	826,945	439,057,731
II. Accumulated depreciation						
1. Opening balance	6,969,545	116,292,962	18,379,654	5,138,096	288,734	147,068,991
2. Increases	83,580	43,933,104	15,889,455	670,819	122,676	60,699,634
(1) Provision for the year	83,580	43,850,167	15,872,188	175,221	122,676	60,103,832
(2) Translation differences of financial statements denominated in foreign currencies	–	82,937	17,267	495,598	–	595,802
3. Decreases	–	31,939,477	3,541,609	976,422	–	36,457,508
(1) Expiration or termination of the lease contract	–	31,939,477	3,541,609	976,422	–	36,457,508
4. Closing balance	7,053,125	128,286,589	30,727,500	4,832,493	411,410	171,311,117
III. Provision for impairment						
1. Opening balance	–	–	–	–	–	–
2. Increases	–	–	–	–	–	–
3. Decreases	–	–	–	–	–	–
4. Closing balance	–	–	–	–	–	–
IV. Carrying amount						
1. Carrying amount at 30 June 2024	16,482,724	153,295,208	88,137,390	9,415,757	415,535	267,746,614
2. Carrying amount at 1 January 2024	16,566,304	168,173,754	88,644,025	7,512,178	538,211	281,434,472

Note 1: The land use right is the industrial land use right leased by Specialist Machine Developments Limited (“SMD”) (one of the Group’s subsidiary) from non-related parties in 2019. The original lease period is from 10 June 2019 to 9 June 2029 which was rescheduled to 9 June 2034 at 24 August 2021, and the total undiscounted rent is equivalent to RMB26,697,784.

(2) Impairment testing of right-of-use assets

□ Applicable ✓ Not applicable

Other information:

Refer to Note VII.62 for details of the Group’s arrangements relating to leasing activities.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

17. Intangible assets

(1) Details of intangible assets

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Software licences	Patents, licenses and technical know-how	Trademarks	Backlog orders and service contracts	Total
I. Cost						
1. Opening balance	552,227,819	316,836,652	1,363,458,062	126,409,051	57,000,000	2,415,931,584
2. Increases	1,591,478	9,798,742	47,453,418	26,565	–	58,870,203
(1) Additions	1,609,010	4,311,406	–	–	–	5,920,416
(2) Transfer from development expenditure	–	–	47,400,183	–	–	47,400,183
(3) Transfer from construction in progress	–	5,530,976	–	–	–	5,530,976
(4) Translation differences arising from translation of foreign currency financial statements	-17,532	-43,640	53,235	26,565	–	18,628
3. Decreases	–	18,000	–	–	–	18,000
(1) Disposals or written-offs during the period	–	18,000	–	–	–	18,000
4. Closing balance	553,819,297	326,617,394	1,410,911,480	126,435,616	57,000,000	2,474,783,787
II. Accumulated amortisation						
1. Opening balance	66,433,010	200,728,570	673,452,609	89,831,786	8,142,857	1,038,588,832
2. Increases	5,421,918	30,621,344	59,355,622	13,718,698	12,214,286	121,331,868
(1) Provision for the year	5,421,918	30,648,379	59,312,078	13,702,479	12,214,286	121,299,140
(2) Translation differences arising from translation of foreign currency	–	-27,035	43,544	16,219	–	32,728
3. Decreases	–	18,000	–	–	–	18,000
(1) Disposals or written-offs during the period	–	18,000	–	–	–	18,000
4. Closing balance	71,854,928	231,331,914	732,808,231	103,550,484	20,357,143	1,159,902,700
III. Provision for impairment						
1. Opening balance	–	506,859	6,013,134	–	–	6,519,993
2. Increases	–	–	–	–	–	–
3. Decreases	–	–	–	–	–	–
4. Closing balance	–	506,859	6,013,134	–	–	6,519,993
IV. Carrying amount						
1. Balance at the end of the period	481,964,369	94,778,621	672,090,115	22,885,132	36,642,857	1,308,361,094
2. Balance at the beginning of the period	<u>485,794,809</u>	<u>115,601,223</u>	<u>683,992,319</u>	<u>36,577,265</u>	<u>48,857,143</u>	<u>1,370,822,759</u>

The proportion of the Group's intangible assets formed through internal research and development to the original carrying amount of intangible assets is presented as follows: 30.03% at June 30, 2024 and 28.88% at December 31, 2023

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

17. Intangible assets (continued)

(2) Data resources recognized as intangible asset

☐ Applicable ☒ Not applicable

(3) Details of land use rights of which property right certificates had not been obtained

☐ Applicable ☒ Not applicable

(4) Impairment testing of Intangible assets

☐ Applicable ☒ Not applicable

Other information:

☒ Applicable ☐ Not applicable

As at 30 June 2024, the Group had no land use rights pledged for obtaining bank loans. The land used by the Group is mainly located in Chinese Mainland, with a holding period of 40-50 years.

18. Goodwill

(1) Cost of goodwill

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of investee or events forming goodwill	Opening balance	Increase during the period		Closing balance
		New for this period	Translation differences of financial statements denominated in foreign currencies	
Dynex Power Inc. ("Canada Dynex")	46,517,958	—	—	46,517,958
Ningbo CRRC Times	437,432	—	—	437,432
CRRC Times Electronics	13,333,101	—	—	13,333,101
SMD	533,512,892	—	-3,316,377	530,196,515
Electric drive operations	31,133,876	—	—	31,133,876
Total	624,935,259	—	-3,316,377	621,618,882

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Goodwill (continued)

(2) Provision for impairment of goodwill

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of investee or events forming goodwill	Opening balance	Decreases Translation differences of financial statements denominated in foreign currencies	Closing balance
Dynex Power Inc. ("Canada Dynex")	46,517,958	—	46,517,958
Ningbo CRRC Times	—	—	—
CRRC Times Electronics	—	—	—
SMD	346,973,206	-2,156,825	344,816,381
Electric drive operations	—	—	—
Total	393,491,164	-2,156,825	391,334,339

(3) Relevant information of assets group or group of assets groups to which goodwill is allocated

☒ Applicable ☐ Not applicable

Item	Composition and basis of the asset group or portfolio to which it belongs	Operating segments and basis	Consistency with prior years
Dynex Power Inc. ("Canada Dynex")	Canada Dynex (Note 1)	/	Yes
Ningbo CRRC Times	Ningbo CRRC Times (Note 1)	/	Yes
CRRC Times Electronics	CRRC Times Electronics (Note 1)	/	Yes
SMD	SMD (Note 1)	/	Yes
Electric drive operations	Electric drive operations (Note 1)	/	Yes

Note 1: Considering the management method of the operation activities of the asset group, and whether the cash flow generated by the asset group through operation is independent of other assets of the Company, the Group determines that SMD, Canada Dynex, CRRC Times Electronics, Ningbo CRRC Times and Electric drive operations is an asset group including goodwill respectively.

Change in assets group or sets of assets groups:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

18. Goodwill (continued)

(4) The specific method used to determine the recoverable amount

The recoverable amount was determined by reference to the fair value less cost of disposal:

☐ Applicable ☒ Not applicable

The recoverable amount is determined based on the present value of expected future cash flows:

☐ Applicable ☒ Not applicable

Reasons for the difference between the above information and the information or external information used for the impairment tests in the previous years:

☐ Applicable ☒ Not applicable

Reasons for the difference between the Company's information used for the impairment test in previous years and the actual circumstance during the year:

☐ Applicable ☒ Not applicable

(5) Performance guarantee and impairment of corresponding goodwill

There is performance guarantee when goodwill is formed and the reporting period or the previous period before the reporting period is within the performance guarantee period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

19. Long-term prepaid expenses

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the year	Amortised for the year	Translation differences arising from translation of foreign currency financial statements	Closing balance
Leasehold improvement	28,694,796	253,534	4,910,175	-24,854	24,013,301
Total	28,694,796	253,534	4,910,175	-24,854	24,013,301

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

20. Deferred tax assets/liabilities

(1) Deferred tax assets that are not offset

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for product quality warranties	1,169,629,895	188,513,781	882,465,193	136,695,794
Provision for credit loss	629,494,757	95,624,211	525,345,522	79,747,616
Provision for impairment of assets	369,539,429	57,212,383	332,698,206	51,205,232
Deferred income	478,089,290	75,070,337	793,152,446	120,005,476
Unrealised profit from internal transactions	2,220,958,360	365,982,342	1,512,639,147	236,999,373
Differences of depreciation/amortisation years due to tax laws and accounting treatment differences	43,178,411	6,476,762	46,193,887	6,929,083
Deductible losses	3,028,004,135	470,960,435	2,820,360,802	430,645,912
Accrued expenses	78,520,990	13,506,101	120,536,428	18,258,067
Accrued employee benefits that have not been paid yet	207,330,084	32,404,920	95,203,163	14,399,989
Changes in fair value of financial assets at fair value through other comprehensive income	53,541,847	8,765,826	82,655,586	13,163,055
Items of costs and expenses without invoices obtained	264,679,714	39,701,957	218,185,835	32,727,875
Lease liabilities	264,785,104	44,587,578	275,565,406	45,097,102
Others	30,958,327	4,643,749	14,755,529	2,285,736
Total	8,838,710,343	1,403,450,382	7,719,757,150	1,188,160,310

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

20. Deferred tax assets/liabilities (continued)

(2) Deferred tax liabilities that are not offset

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

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	82,324,871	15,641,725	99,212,532	18,850,381
Depreciation difference due to inconsistency of depreciation period between tax law and accounting	1,846,866,684	285,529,012	1,955,743,807	301,775,998
Gains on changes in fair value during the holding period of the financial assets at fair value through profit or loss	15,558,326	2,333,749	33,392,878	5,008,932
Right-of-use assets	267,746,614	44,674,376	281,434,472	45,749,686
Total	2,212,496,495	348,178,862	2,369,783,689	371,384,997

(3) Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

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 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	315,203,709	1,088,246,673	333,386,257	854,774,053
Deferred tax liabilities	315,203,709	32,975,153	333,386,257	37,998,740

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

20. Deferred tax assets/liabilities (continued)

(4) Details of unrecognised deferred tax assets

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	38,319,233	50,387,246
Deductible losses	1,630,007,238	2,206,365,509
Total	1,668,326,471	2,256,752,755

(5) Deductible tax losses, for which no deferred tax assets were recognised, will expire in the following years

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance	Note
At the end of 2028	10,591,421	10,591,421	
At the end of 2029	53,821,322	—	
At the end of 2031	11,401,471	11,401,471	
At the end of 2032	1,299,226,944	1,923,916,909	
At the end of 2033	33,431,088	28,950,422	
Without fixed term (Note)	221,534,992	231,505,286	
Total	1,630,007,238	2,206,365,509	/

Other information:

✓ Applicable ☐ Not applicable

Note: There is no fixed term for carry-forward of deductible losses generated by Canada Dynex, a subsidiary of the Group, CRRC Times Electric (Hong Kong) Co., Ltd. (hereinafter referred to as "HK CRRC Times Electric") and SMD.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

21. Other non-current assets

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance Provision for impairment	Book value	Gross carrying amount	Opening balance Provision for impairment	Book value
Large-denomination of certificates of deposit	4,685,376,954	–	4,685,376,954	3,544,519,225	–	3,544,519,225
Prepayments for purchase of machinery and equipment	935,083,225	–	935,083,225	1,105,687,455	–	1,105,687,455
Prepayments for construction of projects	1,975,224	–	1,975,224	3,287,591	–	3,287,591
Contract assets	791,706,033	33,047,059	758,658,974	848,925,652	39,451,828	809,473,824
Deposits from suppliers	122,760,089	2,724,244	120,035,845	122,760,089	2,724,244	120,035,845
Total	6,536,901,525	35,771,303	6,501,130,222	5,625,180,012	42,176,072	5,583,003,940

Other information:

As at 30 June 2024, other non-current assets from related parties of the Group are set out in Note XIV.6.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Assets with restrictive ownership title or right of use

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Carrying amount at the end of the period				Carrying amount at the beginning of the period			
	Book balance	Book value	Type of restriction	Restricted situation	Book balance	Book value	Type of restriction	Restricted situation
Cash and bank balances	407,357,162	407,357,162	Others	Deposits for bill Acceptance and deposits for letter of guarantee	62,172,390	62,172,390	Others	Deposits for bill Acceptance and deposits for letter of guarantee
Bills receivable	20,093,216	20,066,535	Others	Endorsed or discounted but not yet due at the balance sheet date	66,241,836	66,223,436	Others	Endorsed or discounted but not yet due at the balance sheet date
Bills receivable	319,778	319,778	Pledged	Bills receivable pledged	10,000,000	10,000,000	Pledged	Bills receivable pledged
Trade receivables financing	-	-	Pledged	Bills receivable pledged	12,500,000	12,500,000	Pledged	Bills receivable pledged
Total	<u>427,770,156</u>	<u>427,743,475</u>	/	/	<u>150,914,226</u>	<u>150,895,826</u>	/	/

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

23. Short-term borrowings

(1) Category of short-term borrowings

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit borrowings	<u>338,073,829</u>	<u>396,922,553</u>
Total	<u>338,073,829</u>	<u>396,922,553</u>

Description of classification of short-term borrowings:

As at 30 June 2024, the annual interest rate for short-term loans is 2.22% -7.45% (31 December 2023: 2.22% to 7.40%).

As at 30 June 2024, the balance of short-term loans does not include any borrowings from related parties of the group.

(2) Past due and outstanding short-term loans

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

24. Bills payable

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Commercial acceptances	158,477,328	88,041,873
Bank acceptances	4,359,702,605	3,861,776,906
Total	4,518,179,933	3,949,818,779

There are no bills payable due and unpaid at the end of the period.

As at 30 June 2024, bills payable due to related parties of the Group are set out in Note XIV.6.

25. Accounts payable

(1) Accounts payable are set out as follows

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Related parties	1,272,975,151	849,535,422
Third parties	5,725,864,255	5,338,984,756
Total	6,998,839,406	6,188,520,178

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

25. Accounts payable (continued)

(2) Accounts payable are disclosed by ageing as follows

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 6 months	5,434,026,984	4,952,439,351
6 months to 1 year	815,167,409	479,921,812
1 to 2 years	381,426,012	457,067,601
2 to 3 years	182,252,317	142,873,796
Over 3 years	185,966,684	156,217,618
Total	6,998,839,406	6,188,520,178

The ageing of accounts payable of the Group is classified based on the recognition date.

(3) Significant accounts payable aged over one year

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for not being repaid or carried forward
Supplier 709832	52,810,095	Unsettled material payment
Supplier 700939	40,702,511	Unsettled material payment
Supplier 728500	32,441,491	Unsettled material payment
Supplier 700398	21,869,422	Unsettled material payment
Total	147,823,519	/

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

26. Contract liabilities

(1) Details of contract liabilities

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Related to sales contract	799,566,199	622,705,736
Related to construction service contract	210,692,096	117,811,399
Total	1,010,258,295	740,517,135

For part of the Group's sales contracts, the time point at which goods are transferred and accepted is later than the time point at which customers make payments, which results in contractual liabilities related to the sales contracts. Related revenue will be recognised upon the completion of the transfer of the Group's relevant goods/performance obligations.

The Group's contract liabilities related to the construction service contracts represented the excess of the settled amount over revenue recognised based on the progress of construction.

As at 30 June 2024, contract liabilities from related parties of the Group are set out in Note XIV.6.

(2) Significant contractual liabilities aged over 1 year

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-reimbursement or carry-over
Xiamen Rail Transit Group Co Ltd	12,014,937	Conditions for revenue recognition not being satisfied
Total	12,014,937	/

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

26. Contract liabilities (continued)

(3) Account and reason for significant changes in the contract liabilities in the current period

☐ Applicable ☒ Not applicable

(4) The changes in the balance of contract liabilities of the Group are as follows:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	2024
Opening balance	740,517,135
Amount of revenue recognised during the year for contract liabilities at the beginning of the year	859,340,504
Amount arising from contract liabilities at the end of the year as a result of cash received during the year	<u>1,129,081,664</u>
Closing balance	<u>1,010,258,295</u>

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

27. Employee benefits payable

(1) Details of employee benefits payable

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance
I. Short-term employee benefits	190,106,315	1,171,438,766	980,369,544	-1	381,175,536
II. Post-employment benefits – Defined contribution plan	14,125,237	168,420,495	169,210,724	-2,245	13,332,763
III. Termination benefits	–	1,612,196	1,612,196	–	–
IV. Labour expenditures	–	13,209,299	13,209,299	–	–
Total	204,231,552	1,354,680,756	1,164,401,763	-2,246	394,508,299

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

27. Employee benefits payable (continued)

(2) Details of short-term benefits

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance
I. Salaries, bonuses, allowances and subsidies	4,659,453	941,318,439	763,024,431	-1	182,953,460
II. Welfare benefits	–	26,424,364	26,424,364	–	–
III. Social insurances	9,451,585	87,865,645	89,358,957	–	7,958,273
Including: Basic medical insurance	2,403,442	56,933,024	57,921,480	–	1,414,986
Supplementary medical insurance	6,401,150	24,171,536	24,157,198	–	6,415,488
Work injury insurance	646,993	6,637,508	7,156,702	–	127,799
Maternity insurance	–	123,577	123,577	–	–
IV. Housing funds	646,664	84,746,962	85,041,354	–	352,272
V. Employee union funds and staff education funds	174,046,067	31,083,356	16,520,438	–	188,608,985
VI. Others	1,302,546	–	–	–	1,302,546
Total	190,106,315	1,171,438,766	980,369,544	-1	381,175,536

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

27. Employee benefits payable (continued)

(3) Details of defined contribution plan

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance
1. Basic pension insurance	13,656,133	127,738,173	128,179,776	-2,245	13,212,285
2. Unemployment insurance	—	4,548,372	4,548,372	—	—
3. Enterprise annuity	469,104	36,133,950	36,482,576	—	120,478
Total	14,125,237	168,420,495	169,210,724	-2,245	13,332,763

Other information:

✓ Applicable ☐ Not applicable

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 of 30 June 2024, there are no forfeited contributions that may be used by the Company and its subsidiaries to reduce the existing level of contribution.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

28. Taxes payable

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Enterprise income tax	161,769,833	79,899,875
VAT	104,883,913	78,326,780
City maintenance and construction tax and education surcharges	7,339,403	6,355,330
Individual income tax	1,929,359	36,216,431
Others	14,939,619	16,957,233
Total	290,862,127	217,755,649

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

29. Other payables

Presented by item

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	—	—
Dividends payable	1,101,276,287	—
Other payables	1,718,671,921	1,145,345,758
Total	2,819,948,208	1,145,345,758

Interest payable

☐ Applicable ☒ Not applicable

Dividends payable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends payable – related parties	476,287,558	—
Dividends payable – third parties	624,988,729	—
Total	1,101,276,287	—

Other information, including significant dividends payable unpaid for more than one year, should disclose the reason for non-payment:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

29. Other payables (continued)

Other payables

(1) Other payables are presented by nature

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Amounts due to related parties	449,553,249	422,525,141
Deposits and guarantees	263,131,606	250,144,218
Projects and equipment	542,039,129	168,861,040
Withholding social security contributions	3,392,201	3,685,188
Others	460,555,736	300,130,171
Total	1,718,671,921	1,145,345,758

(2) Significant other payables aged over one year

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing balance	Reasons for not being repaid or carried forward
Supplier 99024	379,606,848	Not due
Supplier 720730	24,520,000	Not due
Supplier 800617	12,837,464	Not due
Supplier 717149	11,600,000	Not due
Total	428,564,312	/

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

30. Non-current liabilities due within 1 year

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within 1 year	261,814,006	88,692,443
Lease liabilities due within 1 year	88,019,928	78,507,002
Provisions due within 1 year	451,089,867	329,930,616
Total	800,923,801	497,130,061

Other information:

None

31. Other current liabilities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT for sales of goods collected in advance	130,296,909	91,909,989
Total	130,296,909	91,909,989

The movements of short-term debentures payable:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

32. Long-term borrowings

(1) Classification of long-term borrowings

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit borrowings	940,116,106	720,635,829
Less: Long-term borrowings due within 1 year	261,814,006	88,692,443
Long-term borrowings due after 1 year	678,302,100	631,943,386

Description of classification of long-term borrowings:

As at 30 June 2024, the balance of long-term loans borrowed from the Group's related parties is set out in Note XIV.6.

Other information:

✓ Applicable ☐ Not applicable

(1) Interest rate of the above borrowings is as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Floating interest rate per annum	2.20%-2.45%	—
Fixed interest rate per annum	1.08%-4.10%	1.08%-4.10%

(2) Maturity analysis:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Due within 1 year	261,814,006	88,692,443
Due within 1 to 2 years	330,114,100	274,939,286
Due within 2 to 5 years	329,000,000	331,816,100
Due over 5 years	19,188,000	25,188,000
Total	940,116,106	720,635,829

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

33. Lease liabilities

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term lease liabilities	264,785,104	275,565,405
Less: Lease liabilities classified as non-current liabilities due within 1 year (Note VII.30)	88,019,928	78,507,002
Total	176,765,176	197,058,403

Other information:

Maturity analysis:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Due within 1 to 2 years	72,025,981	70,365,932
Due within 2 to 5 years	97,931,211	125,491,783
Due over 5 years	26,556,994	29,479,878
Total	196,514,186	225,337,593
Less: Unrecognised financing expenses	19,749,010	28,279,190
Lease liabilities	176,765,176	197,058,403

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

34. Long-term payables

Details of items

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	4,685,835	5,096,031
Special payables	—	—
Total	4,685,835	5,096,031

Other information:

None

Long-term payables

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance
Product quality warranties	4,685,835	5,096,031
Total	4,685,835	5,096,031

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

35. Provisions

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Cause
Provision for product quality warranties	1,169,629,895	930,709,240	After sales service agreed in the agreement
Less: Provisions due within 1 year (Note VII.30)	451,089,867	329,930,616	/
Total	718,540,028	600,778,624	/

Other information, including key assumptions and estimations related to significant provisions:

Provision for product quality assurance, which mainly represents the expected product warranty costs to be borne for the products sold, is provided for on the basis of estimates deemed reasonable by the management with reference to the actual amount of warranty costs incurred in previous years and the actual sales in the current period.

36. Deferred income

Details of deferred income

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Closing balance
Deferred income	777,841,769	29,219,201	328,971,680	478,089,290
Total	777,841,769	29,219,201	328,971,680	478,089,290

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

37. Share capital

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Share issued	Bonus shares	Changes during the period (+/-) Transfer from reserves	Other	Sub-total	Closing balance
Total numbers of shares	1,416,236,912	-	-	-	-4,696,800	-4,696,800	1,411,540,112
1. Restricted shares:							
Shares held by state-owned legal person	608,966,468	-	-	-	-	-	608,966,468
Shares held by other domestic investors	-	-	-	-	-	-	-
Shares held by foreign investor	-	-	-	-	-	-	-
2. Unrestricted shares:							
H Shares listed abroad	547,329,400	-	-	-	-4,696,800	-4,696,800	542,632,600
A Shares listed domestically	259,941,044	-	-	-	-	-	259,941,044
Total	1,416,236,912	-	-	-	-4,696,800	-4,696,800	1,411,540,112

Other information:

From 11 January 2024 to 17 January 2024, the Company carried out a series of repurchases of H Shares on the Hong Kong Stock Exchange. As of June 30, 2024, the Company had repurchased 4,696,800 H Shares in total, and the H Shares repurchased by the Company had been cancelled on 16 April 2024.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

38. Capital reserve

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases (Note 1)	Decreases (Note 2)	Closing balance
Share premium	10,516,315,571	–	-85,257,471	10,431,058,100
Other capital reserves	<u>-4,867,207</u>	<u>2,296,485,818</u>	<u>–</u>	<u>2,291,618,611</u>
Total	<u>10,511,448,364</u>	<u>2,296,485,818</u>	<u>-85,257,471</u>	<u>12,722,676,711</u>

Other information, including descriptions about movements during the period and reasons:

Note 1: The increase of capital reserve in the current period is mainly due to the impact of capital increase of minority shareholders of CRRC Times Semiconductor. See Note X.2 for details.

Note 2: The decrease of capital reserve in the current period is due to the impact of the Company's repurchase of H Shares.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Other comprehensive income

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Movement for the period						Closing balance
		Amount incurred for current period before tax	Less: Transferred from other comprehensive income to profit or loss	Less: Transferred from other comprehensive income to retained earnings	Less: Income tax expenses	Attributable to owners of the Parent Company after tax	Attributable to non-controlling shareholders after tax	
Other comprehensive income that will be reclassified to profit or loss	-255,631,350	-6,703,139	-28,359,345	–	4,397,229	17,650,138	-391,161	-237,981,212
Changes in fair value of other debt investments	-71,596,158	-4,659,392	-28,359,345	–	4,397,229	19,693,885	-391,161	-51,902,273
Translation differences of financial statements denominated in foreign currencies	-184,035,192	-2,043,747		–	–	-2,043,747	–	-186,078,939
Total other comprehensive income	-255,631,350	-6,703,139	-28,359,345	–	4,397,229	17,650,138	-391,161	-237,981,212

Other information, including adjustment to the amount removed from the effective portion of the gain or loss on cash flow hedge reserve to the initial cost of the hedged item:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

40. Special reserve

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Production safety fees	86,022,310	25,005,880	2,208,000	108,820,190
Total	86,022,310	25,005,880	2,208,000	108,820,190

Other descriptions, including descriptions about movements during the period and causes:

None

41. Surplus reserve

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	3,153,659,247	—	—	3,153,659,247
Total	3,153,659,247	—	—	3,153,659,247

Descriptions of surplus reserves, including descriptions about movements during the period and causes:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

42. Retained earnings

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Retained earnings at the end of the period (before adjustment)	21,954,221,096	19,860,068,021
Total adjustments for opening retained earnings ("+" for increase; "-" for decrease)	—	—
Retained earnings at the beginning of the period (after adjustment)	21,954,221,096	19,860,068,021
Add: Net profit attributable to shareholders of the Parent Company	1,506,841,018	3,105,703,645
Less: Appropriation to statutory surplus reserve	—	232,620,268
Common stock dividends payable	1,101,001,287	778,930,302
Retained earnings at the end of the period	22,360,060,827	21,954,221,096

The 2023 profit distribution proposal of the Company has been reviewed and approved in the 2023 annual general meeting of shareholders for 2023 held on 27 June 2024, pursuant to which a final dividend of RMB0.78 Yuan (including tax) for the year of 2023 was paid on each of the 1,411,540,112 shares in issue, amounting to a total cash dividend of RMB1,101,001,287.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

43. Revenue and cost of sales

(1) Details of revenue and cost of sales

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period		Prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Principal operating activities	10,233,168,700	7,376,783,777	8,439,981,139	6,119,808,025
Other operating activities	50,564,693	44,405,913	130,229,494	106,137,037
Total	10,283,733,393	7,421,189,690	8,570,210,633	6,225,945,062

(2) Presentation of revenue and cost of sales by business type is as follows:

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period		Prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Rail transit equipment business	6,138,828,837	4,221,851,772	4,690,825,787	3,253,540,379
Emerging equipment business	4,094,339,863	3,154,932,005	3,749,155,352	2,866,267,646
Others	50,564,693	44,405,913	130,229,494	106,137,037
Total	10,283,733,393	7,421,189,690	8,570,210,633	6,225,945,062

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

43. Revenue and cost of sales (continued)

(3) Details of revenue from contracts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Type of contract	Current period	Prior period
By geographical areas of sales		
Chinese Mainland	9,690,011,936	8,081,955,284
Other countries and regions	593,721,457	488,255,349
Total	10,283,733,393	8,570,210,633

Other information:

☐ Applicable ☒ Not applicable

(4) Description of performance obligations

☒ Applicable ☐ Not applicable

Sales of goods and materials

The Group mainly sells rail transit equipment and components, which are mainly delivered using land transportation. The Group recognizes revenue upon receipts and acceptance of the goods by the customer.

Advances from customer before delivery of rail transit equipment and components are recognized as contract liabilities in the financial statements. There is no significant financing component and right of return during the course of sales of rail transit equipment and components.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

43. Revenue and cost of sales (continued)

(4) Description of performance obligations (continued)

Revenue from maintenance service

The Group mainly repairs and maintains rail transit equipment and components. According to the service contract, the maintenance service is subject to customer's acceptance upon delivery, and the Group is entitled to collect the payment upon acceptance by the customer.

Revenue from construction contracts

The Group's construction contracts are mainly for the production of offshore products such as deep-sea robots and for engaging in photovoltaic power plant EPC projects.

For the production and sale of offshore products, the Group recognizes revenue in accordance with the progress of performance as a performance obligation to be fulfilled within a certain period of time, as the goods produced by the Group in the course of performance have irreplaceable uses and the Group is entitled to receive payment for the cumulative portion of the performance performed to date throughout the period of the contract. The Group uses the input method to determine the progress of performance.

For EPC projects of photovoltaic power plants, as the Group's customers are able to control the Group's assets under construction in the course of performance, the Group recognizes revenue in accordance with the progress of performance by treating them as performance obligations to be fulfilled within a certain period of time. The Group uses the output method to determine the progress of performance.

There are no significant financing components or rights of return in the sales process of offshore products or in the process of engaging in EPC projects for photovoltaic power plants.

(5) Descriptions of allocated remaining performance obligations

☐ Applicable ☒ Not applicable

(6) Significant changes in contracts or significant adjustments to transaction prices

☐ Applicable ☒ Not applicable

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

44. Taxes and surcharges

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
City maintenance and construction tax	20,814,289	10,074,053
Education surcharges	15,141,595	7,223,773
Others	27,852,361	23,894,734
Total	63,808,245	41,192,560

Other information:

None

45. Selling expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits	124,153,946	116,640,684
Installation fees	592,653	842,712
Office and travel expenses	33,606,151	30,062,779
Business entertainment expenses	13,253,192	16,052,291
Bidding and tendering fees	7,483,512	3,923,539
Advertising and publicity cost	4,384,188	2,430,069
Others	20,072,155	32,454,682
Total	203,545,797	202,406,756

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

46. Administrative expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits (excluding employee compensation under the defined benefit plan)	216,329,281	208,261,431
Depreciation and amortisation expenses	49,026,247	61,600,686
Facility maintenance cost	39,251,143	13,923,919
Office and travel expenses and conference fee	13,260,701	10,274,345
Property management fee	13,208,253	10,356,426
Service fees for intermediaries and professional institutions	13,456,525	11,319,288
Utilities expenses	9,264,226	8,744,367
Insurance expenses	4,920,179	5,285,980
Rental expenses	6,516,612	3,934,036
Business entertainment expenses	4,363,896	3,196,367
Others	63,306,678	49,057,735
Total	432,903,741	385,954,580

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

47. Research and development expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits	492,795,901	397,335,252
Cost of materials consumed	180,537,488	163,619,977
Depreciation and amortisation expenses	128,358,229	115,790,540
Technical service fee	41,827,792	40,686,898
Office and travel expenses	41,851,790	38,172,034
Experiment and inspection cost	8,933,705	2,117,129
Others	50,583,163	52,003,924
Total	944,888,068	809,725,754

Other information:

None

48. Finance expense

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Interest expenses	14,257,210	12,905,755
Interest expenses of lease liabilities	10,643,324	6,579,242
Less: Capitalised interest expenses	—	—
Interest income	-145,589,548	-124,838,988
Net exchange gains	34,963,103	-22,683,551
Financial institution charges	8,267,909	4,742,326
Others	-589,015	-3,387,759
Total	-78,047,017	-126,682,975

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

49. Other income

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Other income	<u>497,160,494</u>	<u>224,726,822</u>
Total	<u><u>497,160,494</u></u>	<u><u>224,726,822</u></u>

Other information:

None

50. Investment income

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Gains from long-term equity investments under the equity method(loss)	<u>-10,684,725</u>	<u>-8,125,763</u>
Gains on disposal of held-for-trading financial assets	<u>28,832,390</u>	<u>36,796,130</u>
Gains on derecognition of notes discounted(loss)	<u>-1,073,206</u>	<u>-3,550,336</u>
Total	<u><u>17,074,459</u></u>	<u><u>25,120,031</u></u>

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

51. Gains on changes in fair value

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Source of gains on changes in fair value	Current period	Prior period
Held-for-trading financial assets	27,776,390	41,474,645
Total	27,776,390	41,474,645

Other information:

None

52. Gains on disposal of assets

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Gains/(losses) on disposal of fixed assets	2,866,151	-203,369
Gains on the derecognition of right-of-use assets	92,381	390,695
Total	2,958,532	187,326

Other information:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

53. Credit losses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Losses on credit impairment of bills receivable	1,184,829	1,627,582
Losses on credit impairment of accounts receivable	-97,202,809	-76,562,454
Losses on credit impairment of other receivables	-185,171	-656,753
Total	-96,203,151	-75,591,625

Other information:

None

54. Impairment losses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Losses on impairment of inventories	-43,392,710	-37,011,181
Losses on impairment of contract assets	-4,562,449	-244,473
Losses on impairment of other non-current assets	6,404,769	950,445
Total	-41,550,390	-36,305,209

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

55. Non-operating income

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period	Amount included in non-recurring gain or loss for the current period	Amount included in non-recurring gain or loss for the prior period
Unsettled payment	5,822,831	9,752,331	5,822,831	9,752,331
Income from insurance claims	5,231,651	3,768,209	5,231,651	3,768,209
Penalty income and default compensation income	2,825,390	455,121	2,825,390	455,121
Others	2,281,570	412,042	2,281,570	412,042
Total	16,161,442	14,387,703	16,161,442	14,387,703

Other information:

☐ Applicable ✓ Not applicable

56. Non-operating expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period	Amount included in non-recurring gain or loss for the current period	Amount included in non-recurring gain or loss for the prior period
Expenses on penalties and default compensation	9,445,085	21,341	9,445,085	21,341
Others	633,695	7,282	633,695	7,282
Total	10,078,780	28,623	10,078,780	28,623

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

57. Income tax expenses

(1) Table of income tax expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Current income tax expenses	357,626,294	163,217,620
Deferred income tax expenses	-249,914,994	-125,894,516
Total	107,711,300	37,323,104

(2) Reconciliation of accounting profits and income tax expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Total profit	1,708,743,865	1,225,639,966
Income tax expenses calculated at statutory tax rate of 15%	256,311,580	183,845,995
Effect of preferential tax rate applicable to the Company and its certain subsidiaries	-5,310,134	-7,594,617
Effect of joint ventures and associates	2,310,693	983,972
Effect of expenses that are not deductible for tax purposes	2,450,745	4,317,166
Effect of using deductible losses for which no deferred tax assets were recognised for the prior period	-103,677,664	-39,867,437
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognised in the current period	12,292,826	—
Effect of additional deduction of R&D expenses	-92,737,136	-87,371,167
Others	36,070,390	-16,990,808
Income tax expenses	107,711,300	37,323,104

Other information:

✓ Applicable ☐ Not applicable

Note 1: Income tax expenses of the Group include income tax of the Group's subsidiaries in PRC calculated based on the taxable income at the applicable tax rate and income tax of the Group's subsidiaries not located in PRC calculated based on the taxable income at the applicable tax rate under the local tax laws and regulations.

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

58. Items in the cash flow statement

(1) Cash related to operating activities

Other cash receipts relating to operating activities

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Interest income	54,168,618	71,996,771
Current accounts received	64,754,001	—
Others	83,189,935	203,024,242
Total	202,112,554	275,021,013

Description of other cash received related to operating activities:

None

Other cash payments relating to operating activities

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payments for selling expenses, administrative expenses and R&D expenses	680,139,574	616,842,865
Bank charges	8,267,909	4,742,326
Current accounts paid	3,528,500	50,679,947
Others	7,772,927	3,578,960
Total	699,708,910	675,844,098

Description of other cash payments relating to operating activities:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

58. Items in the cash flow statement (continued)

(2) Cash related to investing activities

Significant cash receipts relating to investing activities

☐ Applicable ☒ Not applicable

Significant cash payments relating to investing activities

☐ Applicable ☒ Not applicable

Other cash receipts relating to investing activities

☐ Applicable ☒ Not applicable

Other cash payments relating to investing activities

☐ Applicable ☒ Not applicable

(3) Cash related to financing activities

Other cash receipts relating to financing activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Finance leases	526,521	—
Total	526,521	—

Description of other cash receipts relating to financing activities:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

58. Items in the cash flow statement (continued)

(3) Cash related to financing activities (continued)

Other cash payments relating to financing activities

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payment of lease liabilities	73,285,561	54,361,598
Share repurchase	89,954,271	—
Total	163,239,832	54,361,598

Description of other cash payments relating to financing activities:

None

Changes in liabilities arising from financing activities:

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term loans	396,922,553	57,849,621	—	116,682,062	16,283	338,073,829
Dividends payable	—	—	1,107,116,287	5,840,000	—	1,101,276,287
Long-term borrowings(including long-term borrowings due within 1 year)	720,635,829	260,000,000	431,563	40,951,286	—	940,116,106
Lease liabilities(including lease liabilities due within 1 year)	275,565,405	—	51,861,936	62,642,237	—	264,785,104
Total	1,393,123,787	317,849,621	1,159,409,786	226,115,585	16,283	2,644,251,326

(4) Description of cash flows presented on a net basis

☐ Applicable ✓ Not applicable

(5) Significant activities and financial effects that do not involve current cash receipts and disbursements but affect the enterprise's financial position or may affect the enterprise's cash flows in the future

☐ Applicable ✓ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

59. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	1,601,032,565	1,188,316,862
Add: Impairment losses	41,550,390	36,305,209
Credit losses	96,203,151	75,591,625
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	395,531,013	325,985,721
Depreciation of right-of-use assets	60,103,832	68,122,507
Amortisation of intangible assets	121,299,140	74,597,941
Amortisation of long-term prepaid expenses	4,910,175	4,059,426
Losses on disposal of fixed assets, intangible assets and other non-current assets ("-" for gains)	-2,958,532	-187,326
Losses on changes in fair value ("-" for gains)	-27,776,390	-41,474,645
Finance costs ("-" for incomes)	-31,939,478	-59,428,530
Investment losses ("-" for gains)	-18,147,665	-28,670,368
Decrease in deferred tax assets ("-" for increases)	-237,917,325	-122,807,940
Increase in deferred tax liabilities ("-" for decrease)	-5,023,587	-3,086,573
Decrease in inventories ("-" for increase)	-653,138,294	-676,627,930
Decrease in operating receivables ("-" for increase)	-2,064,495,119	-1,932,043,631
Increase in operating payables ("-" for decrease)	1,700,544,832	598,421,663
Others	-309,415,193	24,866,777
Net cash flow from operating activities	670,363,515	-468,059,212
2. Significant investment and financing activities not involving cash receipts and payments		
Conversion of debt into capital	-	-
Convertible corporate bonds due within one year	-	-
Acquire fixed assets by finance leases	-	-
3. Net movement in cash and cash equivalents		
Closing balance of cash	9,099,835,326	6,719,505,421
Less: Opening balance of cash	7,009,438,954	7,074,871,530
Net increase in cash and cash equivalents	2,090,396,372	-355,366,109

(2) Net cash paid for acquisition of subsidiaries in the current period

☐ Applicable ✓ Not applicable

(3) Net cash received from disposal of subsidiaries in the current period

☐ Applicable ✓ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

59. Supplementary information to the cash flow statement (continued)

(4) Composition of cash and cash equivalents

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	9,099,835,326	7,009,438,954
Including: Cash on hand	23,222	26,441
Bank deposits on demand	9,099,812,104	7,009,412,513
II. Closing balance of cash and cash equivalents	9,099,835,326	7,009,438,954

(5) Restricted items but still presented as cash and cash equivalents

☐ Applicable ☒ Not applicable

(6) Cash at bank and on hand that are not classified as cash and cash equivalents

☒ Applicable ☐ Not applicable

Item	Current period	Prior period	Reasons
Bank deposits	1,281,177,083	729,592,075	Time deposits with maturity over three months
Other monetary funds	407,357,162		– Deposits for bank acceptance and deposits for letter of guarantee
Total	1,688,534,245	729,592,075	/

Other information:

☐ Applicable ☒ Not applicable

60. Notes to items in statement of changes in owner's equity

Explain the name and adjustment amount of "other" items that adjusted the balance at the end of the previous year:

☐ Applicable ☒ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

61. Foreign currency monetary items

(1) Foreign currency monetary items

✓ Applicable ☐ Not applicable

Unit: Yuan

Item	Foreign currency balance at 30 June 2024	Exchange rate	Equivalent to RMB Yuan at 30 June 2024
Cash and bank balances			119,388,715
Including: HKD	20,306,118	0.9127	18,533,394
USD	8,372,321	7.1268	59,667,857
EUR	2,203,765	7.6617	16,884,586
GBP	2,066,378	9.0430	18,686,256
Others	/	/	5,616,622
Accounts receivable			125,758,811
Including: EUR	14,118,661	7.6617	108,172,945
USD	2,322,200	7.1268	16,549,855
Others	/	/	1,036,011
Other receivable			28,338
Including: HKD	31,049	0.9127	28,338
Accounts payable			105,155,748
Including: EUR	3,744,838	7.6617	28,691,825
JPY	558,866,669	0.0447	24,981,340
USD	4,267,108	7.1268	30,410,825
CHF	1,839,082	7.9471	14,615,369
Others	/	/	6,456,389
Other payables			274,381,391
Including: USD	23,437,557	7.1268	167,034,781
EUR	9,385,726	7.6617	71,910,617
JPY	762,304,000	0.0447	34,074,989
Others	/	/	1,361,004

Other information:

None

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

61. Foreign currency monetary items (continued)

(2) Description of overseas operating entities, including for significant overseas operating entities, it should disclose its main overseas business location, recording currency and selection basis. If the recording currency changes, it should also disclose the reasons.

✓ Applicable ☐ Not applicable

Name of overseas business entity	significant principal place of business	Functional currency
Specialist Machine Developments	UK	GBP

62. Lease

(1) As a lessee

✓ Applicable ☐ Not applicable

Variable lease payments not included in the measurement of lease liabilities

☐ Applicable ✓ Not applicable

Expenses of short-term lease and low-value asset lease for which the practical expedient has been applied

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Expenses of short-term lease and low-value asset lease for which the practical expedient has been selected to apply	<u>11,010,628</u>	<u>17,106,056</u>

Sale and leaseback transactions and basis of judgment

☐ Applicable ✓ Not applicable

Total cash outflows related to leases 84,296,189 (Unit: Yuan Currency: RMB)

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

62. Lease (continued)

(2) As a lessor

Operating lease as a lessor

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Rental income	Including: income relating to variable lease payments not included in lease receipts
Buildings	4,195,665	—
Machinery and equipment	1,794,196	—
Total	5,989,861	—

The undiscounted lease receipts to be received by the Group after the balance sheet date are as follows:

Unit: Yuan Currency: RMB

Item	Annual undiscounted lease receipts Amount at the end of the period	Amount at the beginning of the period
Within 1 year (including 1 year)	14,320,736	14,839,154
1 to 2 years (including 2 years)	10,466,410	9,235,718
2 to 3 years (including 3 years)	2,282,460	1,141,632
3 to 4 years (including 4 years)	1,921,000	89,242
4 to 5 years (including 5 years)	960,500	89,242
More than 5 years	—	—
Total	29,951,106	25,394,988

Financial lease as a lessor

✓ Applicable ☐ Not applicable

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VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

62. Lease (continued)

(2) As a lessor (continued)

Unit: Yuan Currency: RMB

Item	Gain or loss on sale	Financing income	Income relating to variable lease payments not included in net investment in leases
Buildings	—	68,067	—
Total	—	68,067	—

Reconciliation of undiscounted lease receipts to net investment in leases

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Annual undiscounted lease receipts Amount at the end of the period	Amount at the beginning of the period
Within 1 year (including 1 year)	1,599,147	1,599,147
1 to 2 years (including 2 years)	1,101,960	1,599,147
2 to 3 years (including 3 years)	—	302,386
3 to 4 years (including 4 years)	—	—
4 to 5 years (including 5 years)	—	—
More than 5 years	—	—
Subtotal of undiscounted lease receipts	2,701,107	3,500,680
Less: Unrealized financing gains	100,716	168,783
Net investment in leases	2,600,391	3,331,897

Undiscounted lease receipts for the next five years

☐ Applicable ☒ Not applicable

Section X Financial Report

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

62. Lease (continued)

(3) Recognition of gain or loss on sales under finance leases as a manufacturer or distributor

☐ Applicable ☒ Not applicable

Other information:

None

63. Data resources

☐ Applicable ☒ Not applicable

64. Others

☐ Applicable ☒ Not applicable

Section X Financial Report

VIII. R&D EXPENDITURES

(1) Presentation by nature of expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Employee remuneration	499,916,752	409,923,182
Depreciation and amortization	128,358,229	115,790,540
Material consumption	191,460,618	177,925,005
Technical services	53,641,221	57,306,478
Others	100,416,875	93,632,566
Total	973,793,695	854,577,771
Including: Expensed R&D expenditures	944,888,068	809,725,754
Capitalized R&D expenditures	28,905,627	44,852,017

Other information:

None

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VIII. R&D EXPENDITURES (continued)

(2) Development expenditure on R&D projects eligible for capitalization

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in current period		Decrease in current period		Closing balance
		Internal development expenditure	Others	Recognized as an intangible asset	Transfer to current profit or loss	
Project 1	53,389,052	-	-	-	-	53,389,052
Project 2	24,949,517	-	-	-	-	24,949,517
Project 3	24,391,247	1,532,194	-	-	-	25,923,441
Project 4	16,180,401	-	-	16,180,401	-	-
Project 5	15,129,582	53,530	-	-	-	15,183,112
Others	141,416,553	27,319,903	-	31,219,782	-	137,516,674
Total	275,456,352	28,905,627	-	47,400,183	-	256,961,796

Significant capitalized R&D projects

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	R&D progress	Expected completion date	Expected manner of generation of economic benefits	Point of commencement of capitalization	Specific basis
Project 1	90%	2024/11	Realize sales	2019/11	The project has been completed in the research stage. It is expected that the product can realize and bring economic benefits, and the costs in the development stage can be accurately measured.
Project 2	95%	2024/11	Realize sales	2019/12	The project has been completed in the research stage. It is expected that the product can realize and bring economic benefits, and the costs in the development stage can be accurately measured.
Project 3	90%	2024/9	Realize sales	2018/1	The project has been completed in the research stage. It is expected that the product can realize and bring economic benefits, and the costs in the development stage can be accurately measured.

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VIII. R&D EXPENDITURES (continued)

(2) Development expenditure on R&D projects eligible for capitalization (continued)

Provision for impairment of development expenditure

☐ Applicable ☒ Not applicable

Other information:

None

(3) Significant outsourced in-process R&D projects

☐ Applicable ☒ Not applicable

IX. CHANGE IN CONSOLIDATION SCOPE

1. Business combinations involving entities not under common control

☐ Applicable ☒ Not applicable

2. Business combination involving entities under common control

☐ Applicable ☒ Not applicable

3. Reverse acquisition

☐ Applicable ☒ Not applicable

4. Disposal of subsidiaries

Whether there are circumstances in which the disposal of investments in subsidiaries through a single transaction resulted in loss of control

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Whether there is a disposal of investments in subsidiaries through multiple transactions resulting in loss of control during the period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

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IX. CHANGE IN CONSOLIDATION SCOPE (continued)

5. Other reasons for change of consolidation scope

Description of the other reasons causing the changes of consolidation scope (e.g. new subsidiaries, the liquidation of subsidiaries etc.) and related changes:

☒ Applicable ☐ Not applicable

Liquidation of subsidiaries in the current period:

In 2024, the Company liquidated its subsidiary, Soil Machine Dynamics Singapore Pte.Ltd., therefore it was not included in the scope of consolidation during the period.

6. Others

☐ Applicable ☒ Not applicable

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

☒ Applicable ☐ Not applicable

Name of the Subsidiary	Principal place of business	Place of registration	Registered capital	Nature of business	Proportion of shareholding (%)		
					Direct	Indirect	Acquisition method
Ningbo CRRC Times	Ningbo, Zhejiang	Ningbo, Zhejiang 2#	RMB296,786,200	Manufacturing	100	–	Incorporation
CRRC Times Electronics	Zhuzhou, Hunan	Zhuzhou, Hunan 2#	RMB80,000,000	Manufacturing	100	–	Incorporation
Shenyang CRRC Times	Shenyang, Liaoning	Shenyang, Liaoning 2#	RMB56,000,000	Manufacturing	100	–	Incorporation
CRRC Times Semiconductor	Zhuzhou, Hunan	Zhuzhou, Hunan 2#	RMB4,567,600,670	Manufacturing	77.78	–	Incorporation
Baoji CRRC Times	Baoji, Shanxi	Baoji, Shanxi 2#	RMB589,258,590	Manufacturing	100	–	Incorporation
Taiyuan CRRC Times	Taiyuan, Shanxi	Taiyuan, Shanxi 2#	RMB307,620,400	Manufacturing	–	55	Incorporation
Kunming CRRC Times Electric Equipment Co., Ltd. ("Kunming Electric")	Kunming, Yunnan	Kunming, Yunnan 2#	RMB55,000,000	Manufacturing	100	–	Incorporation
Hangzhou CRRC Times Electric Equipment Co., Ltd. ("Hangzhou Electric")	Hangzhou, Zhejiang	Hangzhou, Zhejiang 2#	RMB75,000,000	Manufacturing	60	–	Incorporation
Guangzhou CRRC Times Electric Technology Co., Ltd. ("Guangzhou Electric")	Guangzhou, Guangdong	Guangzhou, Guangdong 2#	RMB30,000,000	Manufacturing	60	–	Incorporation
HK CRRC Times Electric	Hong Kong	Hong Kong	HKD856,952,000	Investment holding	100	–	Incorporation

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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of the Subsidiary	Principal place of business	Place of registration	Registered capital	Nature of business	Proportion of shareholding (%)		Acquisition method
					Direct	Indirect	
Ningbo CRRC Electric	Ningbo, Zhejiang	Ningbo, Zhejiang 2#	RMB110,000,000	Manufacturing	100	–	Incorporation
Chengdu CRRC Electric	Chengdu, Sichuan	Chengdu, Sichuan 2#	RMB30,000,000	Manufacturing	100	–	Incorporation
Qingdao CRRC Electric (Note 1)	Qingdao, Shandong	Qingdao, Shandong 2#	RMB100,000,000	Manufacturing	45	–	Incorporation
Shanghai CRRC Rail Transit Technology Co., Ltd. ("Shanghai CRRC Rail Transit")	Shanghai	Shanghai 2#	RMB50,000,000	Manufacturing	51	–	Incorporation
CRRC Times Software	Zhuzhou, Hunan	Zhuzhou, Hunan 2#	RMB100,000,000	Software service	100	–	Incorporation
Hunan CRRC Signal	Changsha, Hunan	Changsha, Hunan 2#	RMB549,000,000	Manufacturing	100	–	Incorporation
Lanzhou CRRC Times Rail Transit Technology Co., Ltd. ("Lanzhou Times")	Lanzhou, Gansu	Lanzhou, Gansu 2#	RMB50,000,000	Manufacturing	51	–	Incorporation
Shanghai CRRC SMD	Shanghai	Shanghai 2#	RMB720,000,000	Manufacturing	100	–	Incorporation
CRRC Times Electric Australia Pty. Ltd. ("Times Australia")	Australia	Australia	AUD290,000	Trading	100	–	Incorporation
CRRC Times Electric USA, LLC ("Times USA")	USA	USA	USD430,000	Trading	100	–	Incorporation
Chongqing CRRC Electric	Chongqing	Chongqing 2#	RMB150,000,000	Manufacturing	60	–	Incorporation
FAW CRRC Electric Drive System Co., Ltd. (Note 2)	Changchun, Jilin	Changchun, Jilin 2#	RMB500,000,000	Manufacturing	50	–	Incorporation
Yixing CRRC Times Semiconductor Co., Ltd.	Wuxi, Jiangsu	Wuxi, Jiangsu 2#	RMB3,600,000,000	Manufacturing	–	100	Incorporation
Hunan CRRC Electric Drive	Zhuzhou, Hunan	Zhuzhou, Hunan 2#	RMB1,000,000,000	Manufacturing	83.30		Incorporation

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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of the Subsidiary	Principal place of business	Place of registration	Registered capital	Nature of business	Proportion of shareholding (%)		Acquisition method
					Direct	Indirect	
Canada Dynex	Canada	Canada	CAD37,096,192	Investment holding	100	–	By business combination not involving enterprises under common control
Dynex Semiconductor Limited	UK	UK	GBP15,000,000	Manufacturing	–	100	By business combination not involving enterprises under common control
SMD	UK	UK	GBP44,049,014	Investment holding	–	100	By business combination not involving enterprises under common control
Soil Machine Dynamics Limited	UK	UK	GBP938,950	Manufacturing	–	100	By business combination not involving enterprises under common control
SMD Offshore Support Limited	UK	UK	GBP2	Trading	–	100	By business combination not involving enterprises under common control
SMD Robotics Limited	UK	UK	GBP1	Trading	–	100	By business combination not involving enterprises under common control
SMD do Brasil Ltd.	Brazil	Brazil	BRL100	Trading	–	100	By business combination not involving enterprises under common control
Wuxi CRRC Electric Drive	Wuxi, Jiangsu	Wuxi, Jiangsu 2#	RMB320,590,800	Manufacturing		88.00	By business combination not involving enterprises under common control
CRRC National Centre of Converters	Zhuzhou, Hunan	Zhuzhou, Hunan 2#	RMB390,600,000	Manufacturing	100	–	By business combination involving enterprises under common control

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X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Descriptions of the difference between the proportion of shareholding and the proportion of voting rights:

Please refer to note 1 and note 2.

The basis for holding half or less of the voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:

Note 1: The Company considers that it controls Qingdao CRRC Electric Equipment Co., Ltd. ("Qingdao CRRC Electric") even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of Qingdao CRRC Electric with a 45% equity interest. Pursuant to the Articles of Association of Qingdao CRRC Electric, for resolutions of the shareholders' meeting affecting relative operating activities of Qingdao CRRC Electric, CRRC Qingdao Sifang Co., Ltd., a related party of the Company, which owns Qingdao CRRC Electric 38% equity interest, commits to comply with the Company in the exercise of the proposal rights and voting rights. The Company recommends four of the seven directors in Board of Qingdao CRRC Electric and the resolutions of Board are deemed as valid when more than half of all directors approve.

Note 2: The Company considers that it also controls FAW CRRC Electric Drive System Co., Ltd. even though it owns only 50% of the voting rights. This is because the Company holds 50% equity interest in FAW CRRC Electric Drive System Co., Ltd. and appoints three of the five directors in its Board of Directors. The resolutions of the Board of Directors can be divided into ordinary resolutions and special resolutions. Special resolutions shall be adopted when more than two thirds of all directors approve, while other matters shall be adopted when more than one half of all directors approve. For matters in which agreement cannot be reached after negotiation through the procedures agreed by both parties, the opinions of the Company shall be adopted. Therefore, the Company believes that it has the right to control FAW CRRC Electric Drive System Co., Ltd.

Basis for consolidating significant structured entities based on control:

☐ Applicable ☒ Not applicable

Rationale for determining whether the Company is an agent or principal:

☐ Applicable ☒ Not applicable

Other information:

#1 company limited by shares

#2 limited liability company

Section X Financial Report

X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(2) Significant non-wholly owned subsidiaries

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the Subsidiaries	Proportion of shareholding of non-controlling shareholders (%)	Profit (Loss) attributable to non-controlling shareholders	Dividends paid to non-controlling shareholders	Closing balance of non-controlling interests
CRRC Times Semiconductor	22.22	66,727,029	–	2,347,760,744

Description of the circumstances in which the proportion of shareholdings of the non-controlling interests in a subsidiary is different from that of voting rights:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

(3) Key financial information of significant non-wholly owned subsidiaries

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the Subsidiaries	Balance at the end of the period						Balance at the beginning of the year					
	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 Semiconductor	5,916,938,843	9,190,331,822	15,107,270,665	2,736,990,215	793,991,224	3,530,981,439	3,842,348,952	5,246,005,321	9,088,354,273	1,595,632,934	949,350,522	2,544,983,456

Name of the Subsidiaries	Amount incurred in the current period				Amount incurred in the prior period			
	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 Semiconductor	2,047,834,098	707,715,571	702,301,785	106,908,444	1,661,744,783	456,029,501	457,357,475	504,704,477

Other information:

None

Section X Financial Report

X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(4) Material restriction on the use of the Group's assets and the settlement of the Group's liabilities

☐ Applicable ☒ Not applicable

(5) Financial support and other assistance provided to structured entities included in the consolidated financial statements:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

2. Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

☒ Applicable ☐ Not applicable

(1) Changes in the Group's interests in subsidiaries:

☒ Applicable ☐ Not applicable

In March 2024, CRRC Times Semiconductor, a subsidiary of the Company, introduced strategic investors to increase share capital. The amount of capital increase was RMB4,327,800,000. After the completion of the above capital increase, the paid in capital of CRRC Times Semiconductor increased by RMB1,080,032,928, and the Group's shareholding in CRRC Times Semiconductor decreased from 96.17% to 77.78%. The Group increased the capital reserve by RMB2,296,485,818 for the difference between the amount of Zhuzhou CRRC Times Semiconductor's net assets before and after the capital increase, calculated based on the shareholding ratio before and after the capital increase respectively.

Section X Financial Report

X. INTERESTS IN OTHER ENTITIES (continued)

2. Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control (continued)

(2) Impact of transactions on non-controlling interests and equity attributable to the owners of the parent company

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

	Zhuzhou CRRC Times Semiconductor
Acquisition cost/disposal consideration	
– Cash	4,327,800,000
– Fair value of non-cash assets	–
Acquisition cost/disposal consideration	4,327,800,000
Less: Share of net assets in subsidiaries based on the shares acquired/disposed of	2,031,314,182
Difference	2,296,485,818
Including: Adjustment to capital reserve	2,296,485,818
Adjustment to surplus reserve	–
Adjustment to retained earnings	–
Other information:	
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	

Section X Financial Report

X. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in associates or joint ventures

✓ Applicable ☐ Not applicable

(1) Significant joint ventures or associates

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of companies	Main business place	註冊地	Nature of business	Shareholding proportion (%)		Accounting methods for investments in joint ventures or associates
				Direct	Indirect	
Shiling	Zhuzhou, Hunan	湖南株洲	Manufacturing	50%	–	Equity method
Qinglan Semiconductor	Guangzhou, Guangdong	廣東廣州	R&D and technical service industry	–	49%	Equity method
Zhixin Semiconductor	Wuhan, Hubei	湖北武漢	Manufacturing	–	47%	Equity method

Explanation of the difference between the shareholding ratio in a joint venture or consortium and the voting rights ratio:

None

Basis for holding less than 20% of voting rights but with significant impact, or holding 20% or more of voting rights but without significant impact:

None

Section X Financial Report

X. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in associates or joint ventures (continued)

(2) Main financial information of significant joint ventures

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

	Balance at the end of the period/Amount for the current period		Balance at the beginning of the period/Amount for the prior period	
	Shiling	Qinglan Semiconductor	Shiling	Qinglan Semiconductor
Current assets	214,216,628	142,841,933	211,018,063	158,989,559
Including: Cash and cash equivalents	164,864,756	109,763,493	161,707,449	140,942,650
Non-current assets	28,600,877	219,724,158	30,329,209	215,314,968
Total assets	242,817,505	362,566,091	241,347,272	374,304,527
Current liabilities	16,727,875	42,280,159	22,584,140	35,213,830
Non-current liabilities	–	62,865,600	–	61,012,142
Total liabilities	16,727,875	105,145,759	22,584,140	96,225,972
Net assets	226,089,630	257,420,332	218,763,132	278,078,555
Share of net assets calculated based on the proportion of shareholding	113,044,816	126,135,962	109,381,567	136,258,491
Adjustments				
-Unrealised profits of downstream transactions	–	–	–	–
Carrying amount of investments	113,044,816	126,135,962	109,381,567	136,258,491
Operating income	23,596,778	3,022,305	19,391,776	–
Income tax expenses	–	–	–	–
Net profit	7,326,498	-20,658,223	3,166,408	-4,772,028
Other comprehensive income	–	–	–	–
Total comprehensive income	7,326,498	-20,658,223	3,166,408	-4,772,028
Dividends received from joint venture	–	–	–	–

Other information:

None

Section X Financial Report

X. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in associates or joint ventures (continued)

(3) Main financial information of significant associates

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

	Balance at the end of the period/Amount for the current period Zhixin Semiconductor	Balance at the beginning of the period/Amount for the prior period Zhixin Semiconductor
Current assets	229,543,680	220,801,750
Including: Cash and cash equivalents	101,591,863	19,250,663
Non-current assets	196,836,621	153,260,206
Total assets	426,380,301	374,061,956
Current liabilities	143,299,560	169,555,363
Non-current liabilities	10,413,460	11,063,460
Total liabilities	153,713,020	180,618,823
Net assets	272,667,281	193,443,134
Share of net assets calculated based on the proportion of shareholding	128,153,622	90,918,273
Adjustments		
-Unrealised profits of downstream transactions	-	-
Carrying amount of investments	128,153,622	90,918,273
Operating income	97,836,552	31,916,810
Income tax expenses	-	-
Net profit	-20,775,853	-8,556,863
Other comprehensive income	-	-
Total comprehensive income	-20,775,853	-8,556,863
Dividends received from associates	-	-

Section X Financial Report

X. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in associates or joint ventures (continued)

(4) Financial information of insignificant joint ventures and associates

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

	Balance at the end of the period/Amount for the current period	Balance at the beginning of the period/Amount for the prior period
Joint ventures:		
Aggregate carrying amount of investments	29,516,501	31,067,756
Aggregate amount calculated based on the shareholding proportion		
– Net profit	-1,551,255	-1,281,492
– Other comprehensive income	–	–
– Total comprehensive income	-1,551,255	-1,281,492
Associates:		
Aggregate carrying amount of investments	165,731,904	165,785,117
Aggregate amount calculated based on the shareholding proportion		
– Net profit	-53,213	968,229
– Other comprehensive income	–	–
– Total comprehensive income	-53,213	968,229
Other information		
None		

(5) Description of material restrictions on transfers of funds from joint ventures or associates to the Company

☐ Applicable ✓ Not applicable

Section X Financial Report

X. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in associates or joint ventures (continued)

(6) Excess loss from joint ventures or associates

☐ Applicable ☒ Not applicable

(7) Unrecognised commitments related to the investments in joint ventures

☐ Applicable ☒ Not applicable

(8) Contingent liabilities related to investments in joint ventures or associates

☐ Applicable ☒ Not applicable

4. Significant joint operations

☐ Applicable ☒ Not applicable

5. Interests in structured entities not included in the consolidated financial statements

Other information about the structured entities that are not included in consolidated financial statements:

☐ Applicable ☒ Not applicable

6. Others

☐ Applicable ☒ Not applicable

XI. GOVERNMENT GRANTS

(1) Government grants recognised based on receivables at the end of the reporting period

☐ Applicable ☒ Not applicable

The reasons for not receiving the grant amounts at the expected dates

☐ Applicable ☒ Not applicable

(2) Liabilities relating to government grants

☐ Applicable ☒ Not applicable

(3) Government grants recognised in profit or loss for the current period

☐ Applicable ☒ Not applicable

Other information:

None

Section X Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS

1. Risks of financial instruments

✓ Applicable ☐ Not applicable

1. Category of financial instruments

The Group's main financial instruments include cash and bank balances, held-for-trading financial assets, bills receivable, accounts receivable, trade receivables financing, other receivables, other equity instrument investments, other current assets, non-current assets due within one year, long-term receivables, other non-current assets, bills payable, trade payables, other payables, borrowings, long-term payables and lease liabilities. As at 30 June 2024, the Group's holdings of financial instruments are as follows, detailed in Note VII. 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.

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets		
<i>At FVTPL</i>		
Held-for-trading financial assets	3,491,174,764	4,776,392,878
<i>At FVTOCI</i>		
Trade receivables financing	4,785,280,641	4,511,551,119
Other equity instrument investments	233,249,992	233,249,992
<i>At amortised cost</i>		
Cash and bank balances	10,788,369,571	7,903,177,340
Bills receivable	986,313,390	2,376,882,219
Accounts receivable	12,653,604,811	9,635,843,983
Other receivables	240,448,919	216,097,593
Other current assets	50,114,166	50,143,500
Non-current assets due within one year	2,195,380,486	1,100,449,970
Long-term receivables	3,020,776	3,547,297
Other non-current assets	4,685,376,954	3,544,519,225
Financial liabilities		
<i>At amortised cost</i>		
Short-term borrowings	338,073,829	396,922,553
Bills payable	4,518,179,933	3,949,818,779
Accounts payable	6,998,839,406	6,188,520,178
Other payables	2,819,948,208	1,145,345,758
Long-term borrowings (including long-term borrowings due within one year)	940,116,106	720,635,829
Lease liabilities (including lease liabilities due within one year)	264,785,104	275,565,405
Long-term payables	4,685,835	5,096,031

Section X Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

2. Risks of financial instruments

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk. The Group's risk management policies are outlined below.

(1) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which mainly comprise cash and bank balances, bills receivable and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The credit risk on cash and bank balances is limited because they are deposited with banks with high credit ratings.

The major customers of the Group are subsidiaries of CRRC Corporation Limited as well as other state-owned enterprises and institutions in the railway transportation industry. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. As at 30 June 2024 and 31 December 2023, the Group had certain concentrations of credit risk as 13.63% and 0.66% of the Group's accounts receivable were due from the Group's largest customer. As at 30 June 2024 and 31 December 2023, 22.57% and 10.70% of the Group's accounts receivable were due from the five largest customers.

Principles for assessing whether the credit risk has increased significantly since the initial recognition, basis for determining the credit impairment of financial assets, the method to assessing expected credit risk on a portfolio basis and the direct write down policy are listed in Note V. 11. (2).

As part of the Group's credit risk management, the Group uses the ageing of accounts receivable to assess the credit impairment losses of receivables arising from various kinds of business. This type of business involves a large number of small customers, which with the same risk characteristics, and the ageing information can reflect the solvency of them when the accounts receivable expire.

The above-mentioned expected average loss rate is based on historically actual bad debt rate and takes current conditions and forecasts of future economic conditions into consideration.

The Group reviews the recoverable amount of the financial assets at each balance sheet date to ensure that adequate credit loss allowance is made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk assumed is significantly reduced.

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

2. Risks of financial instruments (continued)

(2) Liquidity risk

The Group monitors its risk of shortage of funds using a continuous liquidity planning tool. This tool considers both the maturity of its financial instruments and expected cash flows from the Group's operations.

The Group's objective is to maintain a balance between the continuity of funding and flexibility through the use of various financing means, such as note settlement and bank borrowings. The Group has obtained banking facilities from several commercial banks to meet working capital requirements and capital expenditures.

The Group's management monitors the liquidity position of the Group on an ongoing basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Group's financial resources.

The maturity analysis of the Group's financial liabilities based on the undiscounted contractual cash flows is as follows:

As at 30 June 2024

Unit: Yuan Currency: RMB

Item	Closing balance				Total	Carrying amount
	Within 1 year	1-2 years	2-5 years	Over 5 years		
Short-term borrowings	343,853,399	-	-	-	343,853,399	338,073,829
Bills payable	4,518,179,933	-	-	-	4,518,179,933	4,518,179,933
Accounts payable	6,998,839,406	-	-	-	6,998,839,406	6,998,839,406
Other payables (excluding dividends payable)	1,718,671,921	-	-	-	1,718,671,921	1,718,671,921
Long-term borrowings (including long-term borrowings due within one year)	285,167,634	339,272,048	341,900,270	25,349,998	991,689,950	940,116,106
Lease liabilities (including lease liabilities due within one year)	96,691,498	72,025,981	97,931,211	26,556,994	293,205,684	264,785,104
Long-term payables	-	4,685,835	-	-	4,685,835	4,685,835
Total	13,961,403,791	415,983,864	439,831,481	51,906,992	14,869,126,128	14,783,352,134

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

2. Risks of financial instruments (continued)

(2) Liquidity risk (continued)

As at 31 December 2023

Unit: Yuan Currency: RMB

Item	Within 1 year	1-2 years	Opening balance		Total	Carrying amount
			2-5 years	Over 5 years		
Short-term borrowings	402,622,413	–	–	–	402,622,413	396,922,553
Bills payable	3,949,818,779	–	–	–	3,949,818,779	3,949,818,779
Accounts payable	6,188,520,178	–	–	–	6,188,520,178	6,188,520,178
Other payables (excluding dividends payable)	1,145,345,758	–	–	–	1,145,345,758	1,145,345,758
Long-term borrowings (including long-term borrowings due within one year)	105,565,090	284,633,725	341,780,961	25,469,307	757,449,083	720,635,829
Lease liabilities (including lease liabilities due within one year)	82,525,449	70,365,932	125,491,783	29,479,878	307,863,042	275,565,405
Long-term payables	–	5,096,031	–	–	5,096,031	5,096,031
Total	<u>11,874,397,667</u>	<u>360,095,688</u>	<u>467,272,744</u>	<u>54,949,185</u>	<u>12,756,715,284</u>	<u>12,681,904,533</u>

(3) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk of fluctuation in the fair value of the Group's financial instruments due to changes in market interest rates is mainly related to the Group's borrowings with fixed interest rates, bonds payable, other current assets and long-term receivables. The risk of fluctuations in future cash flows of the Group's financial instruments due to changes in market interest rates relates mainly to the Group's liabilities with floating interest rates.

Section X Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

2. Risks of financial instruments (continued)

(3) Market risk (continued)

Interest rate risk (continued)

The following table presents the sensitivity analysis of Interest rate risk, reflecting the Impact on net profit (through the impact on borrowings with floating interest rates) that would arise from a reasonable and probable change in interest rates under the assumption that all other variables remain unchanged (after taking into account the impact of capitalization of borrowing costs).

Unit: Yuan Currency: RMB

Item	Current period		Prior period	
	Increase of 100 basis points	Decrease of 100 basis points	Increase of 100 basis points	Decrease of 100 basis points
Floating borrowing rate				
(Decrease)/increase in net profit	<u>-8,847,399</u>	<u>8,847,399</u>	<u>-4,585,037</u>	<u>4,585,037</u>

Foreign 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).

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. Currency risk arising from the assets and liabilities denominated in foreign currencies may have impact on the Group's performance.

Section X Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

2. Risks of financial instruments (continued)

(3) Market risk (continued)

Foreign currency risk (continued)

The balances of the Group's assets and liabilities of main foreign currency are as follows:

Unit: Yuan Currency: RMB

Item	Closing balance of total assets	Closing balance of total liabilities	Opening balance of total assets	Opening balance of total liabilities
GBP	358,072,406	17,981,526	399,277,922	35,989,220
EUR	196,849,775	100,602,442	156,862,146	98,305,734
USD	163,309,496	216,122,876	135,192,056	80,600,233
JPY	–	59,056,329	–	33,785,762
AUD	32,464,817	–	32,909,435	–
HKD	18,570,494	–	384,882,652	–
Total	<u>769,266,988</u>	<u>393,763,173</u>	<u>1,109,124,211</u>	<u>248,680,949</u>

The following table demonstrates the sensitivity analysis on currency risk, which reflects the impact of reasonably possible changes in the exchange rates of GBP, HKD, EUR, USD, AUD and CHF on the Group's net profit, with all other variables held constant.

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

2. Risks of financial instruments (continued)

(3) Market risk (continued)

Foreign currency risk (continued)

Unit: Yuan Currency: RMB

Item	Base point at the end of the period Increase/ (decrease)	Effect on profit of current period Increase/ (decrease)	Base point at the beginning of the period Increase/ (decrease)	Effect on profit of prior period Increase/ (decrease)
GBP				
If RMB strengthens against GBP	10%	-28,907,725	10%	-30,879,540
If RMB weakens against GBP	-10%	28,907,725	-10%	30,879,540
HKD				
If RMB strengthens against HKD	10%	-1,578,492	10%	-32,715,025
If RMB weakens against HKD	-10%	1,578,492	-10%	32,715,025
EUR				
If RMB strengthens against EUR	10%	-8,181,023	10%	-4,977,295
If RMB weakens against EUR	-10%	8,181,023	-10%	4,977,295
USD				
If RMB strengthens against USD	10%	4,489,137	10%	-4,640,305
If RMB weakens against USD	-10%	-4,489,137	-10%	4,640,305
JPY				
If RMB strengthens against JPY	10%	5,019,788	10%	2,871,790
If RMB weakens against JPY	-10%	-5,019,788	-10%	-2,871,790
AUD				
If RMB strengthens against AUD	10%	-2,759,509	10%	-2,797,302
If RMB weakens against AUD	-10%	2,759,509	-10%	2,797,302

Section X Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

2. Risks of financial instruments (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital for the years ended 31 December 2023 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group's policy is to maintain the gearing ratio no more than 30%. Net debt includes all borrowings, financial liabilities held for trading, bills payable, accounts payable, employee benefits payable, other taxes payable excluding enterprise income tax payable, other payables, lease liabilities and long-term payables less cash and cash equivalents. Capital includes equity attributable to shareholders of the parent company.

The gearing ratios as at the balance sheet date are as follows:

Unit: Yuan Currency: RMB

Item	Closing balance
Short-term borrowings	338,073,829
Held-for-trading financial liabilities	—
Bills payable	4,518,179,933
Accounts payable	6,998,839,406
Employee benefits payable	394,508,299
Taxes payable (excluding enterprise income tax payable)	129,092,294
Other payables	2,819,948,208
Long-term borrowings (including long-term borrowings due within 1 year)	940,116,106
Lease liabilities (including lease liabilities due within 1 year)	264,785,104
Long-term payables	4,685,835
Less: Cash and cash equivalents	9,099,835,326
Net liabilities	7,308,393,688
Equity attributable to shareholders of the Parent Company	39,518,775,875
Capital and net liabilities	40,827,169,563
Gearing ratio	15.61%

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

2. Hedging

(1) The Company conducts hedging business for risk management.

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

(2) The Company conducts eligible hedging operations and applies hedge accounting.

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

(3) The company conducts hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting.

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

3. Transfer of financial assets

(1) Classification of transfer methods

☒ Applicable ☐ Not applicable

Section X Financial Report

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

3. Transfer of financial assets (continued)

(1) Classification of transfer methods (continued)

Details of financial assets transferred by the Group at the end of the period and not yet matured at the balance sheet date are as follows:

Unit: Yuan Currency: RMB

Mode of transfer	Nature of transferred financial assets	Amount of transferred financial assets	Status of derecognition	Basis for judging the status of derecognition
Endorsements	Bankers' acceptances accepted by general commercial banks	2,411,862	Not derecognized	Retains substantially all of the risks and rewards associated with ownership of such endorsed notes receivable, including the associated risk of default.
Endorsements	Commercial acceptances	17,681,354	Not derecognized	Retains substantially all of the risks and rewards associated with ownership of such endorsed notes receivable, including the associated risk of default.
Endorsements	Banker's acceptances accepted by commercial banks with high creditworthiness	591,525,607	Fully derecognized	The financial assets have been transferred and almost all the risks and rewards of ownership of the financial assets have been transferred to the transferring party.
Discounting	Banker's acceptances accepted by commercial banks with high creditworthiness	172,866,519	Fully derecognized	The financial assets have been transferred and almost all the risks and rewards of ownership of the financial assets have been transferred to the transferring party.
Factoring	Cloud credit	798,122,832	Fully derecognized	The financial assets have been transferred and almost all the risks and rewards of ownership of the financial assets have been transferred to the transferring party.
Total	/	<u>1,582,608,174</u>	/	/

(2) Financial assets derecognized due to transfer

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Mode of transfer of financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Bankers' acceptances	Endorsements	591,525,607	—
Bankers' acceptances	Discounting	172,866,519	787,218
Cloud credit	Factoring	<u>798,122,832</u>	<u>—</u>
Total	/	<u>1,562,514,958</u>	<u>787,218</u>

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XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

1. Risks of financial instruments (continued)

3. Transfer of financial assets (continued)

(3) Transferred financial assets that continue to be involved

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

XIII. DISCLOSURE OF FAIR VALUE

1. Closing fair value of assets and liabilities measured at fair value

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing fair value			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
I. Continuous fair value measurement				
(I) Held-for-trading financial assets	-	3,491,174,764	-	3,491,174,764
(II) Trade receivables financing	-	4,785,280,641	-	4,785,280,641
(III) Other equity instrument investments	-	-	233,249,992	233,249,992
Total assets measured at fair value on a recurring basis	-	8,276,455,405	233,249,992	8,509,705,397

2. Basis of determining the market price for recurring and non-recurring fair value measurements categorised within Level 1

☐ Applicable ☒ Not applicable

3. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 2

☒ Applicable ☐ Not applicable

Fair value measurement of held-for-trading financial assets and trade receivables financing is determined based on the method of discounted cash flow analysis. The future cash flows are estimated based on the projected returns and discounted at the discount rate reflecting the counterparty's credit risk.

Section X Financial Report

XIII. DISCLOSURE OF FAIR VALUE (continued)

4. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 3

☒ Applicable ☐ Not applicable

Fair value measurement of other equity instrument investments is determined based on the method of discounted cash flow analysis. Unobservable inputs include weighted average cost of capital and long-term income growth rate.

5. 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

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Other equity instrument investments (unlisted equity instrument investments)
1 January 2024	233,249,992
Additions	—
30 June 2024	<u>233,249,992</u>

6. Reasons for transfers between different levels, and the policy about the timing of those transfers for recurring fair value measurements

☐ Applicable ☒ Not applicable

7. Current changes in valuation techniques and the reasons

☐ Applicable ☒ Not applicable

Section X Financial Report

XIII. DISCLOSURE OF FAIR VALUE (continued)

8. Fair value of financial assets and financial liabilities that are not measured at fair value

☒ Applicable ☐ Not applicable

The Group's financial assets and financial liabilities at amortized cost are detailed in Note VII.32. Long-term borrowings and 34 Long-term payables. The fair values of long-term borrowings and long-term payables are determined using the method of discounted cash flow analysis, with market yields on other financial instruments with similar contractual terms, credit risk and remaining maturity as the discount rate. As at 30 June 2024 and 31 December 2023, the carrying amounts of financial assets and financial liabilities at amortized cost in the financial statements approximate their fair values.

9. Others

☐ Applicable ☒ Not applicable

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Parent of the Company

☒ Applicable ☐ Not applicable

Unit: '0000 Currency: RMB

Company name	Place of registration	Nature of business	Registered capital	Proportion of shareholding	Proportion of voting rights
CRRC ZELRI	Zhuzhou, Hunan	R&D, manufacturing and sales of rail transportation products and equipment	844,684	41.87	41.87

Description of the parent company of the Company

CRRC ZELRI and the companies it holds are collectively referred to as "CRRC ZELRI Group".

The ultimate holding party of the Company is CRRC Corporation Limited.

Other information:

The ultimate holding party of the Company is CRRC Group, which is an enterprise directly under the central government and directly administered by the State-owned Assets Supervision and Administration Commission of the State Council. The ultimate holding party and the companies it holds are collectively referred to as "the ultimate holding party group".

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Particulars of subsidiaries of the Company

For details of the subsidiaries of the Company, please refer to Note.

☒ Applicable ☐ Not applicable

For details of the subsidiaries of the Company, please refer to Note X. 1.

3. Particulars of joint ventures and associates of the Company

Important joint ventures and associates of the Company, please refer to Note.

☒ Applicable ☐ Not applicable

For details of the joint ventures and associates of the Company, please refer to Note X. 3.

Other joint ventures or associated enterprises that have related party transactions with the company in the current period, or that have balance formed from related party transactions with the company in the previous period are as follows:

☐ Applicable ☒ Not applicable

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties

✓ Applicable ☐ Not applicable

Name of other related parties	Relationship between other related parties and the Company
BOGE Elastmetall GmbH	Company controlled by CRRC ZELRI
Shanghai CRRC Hange Marine & Offshore Engineering Co., Ltd.	Company controlled by CRRC ZELRI
CRRC Zhuzhou Traction Electrical Equipment Test & Certification Co., Ltd.	Company controlled by CRRC ZELRI
CRRC Beijing Heavy Industry and Mechanics Co., Ltd.	Company controlled by CRRC ZELRI
Boge Rubber & Plastics (Zhuzhou) Co., Ltd.	Company controlled by CRRC ZELRI
Tianjin CRRC Wind Energy Technology Co., Ltd.	Company controlled by CRRC ZELRI
Wuxi CRRC Times Intelligent Equipment Co., Ltd.	Company controlled by CRRC ZELRI
CRRC-AVC Thermal Technologies (Zhuzhou) Co., Ltd.	Company controlled by CRRC ZELRI
CRRC Zhuzhou Mechanical and Electrical Technology Co., Ltd.	Company controlled by CRRC ZELRI
Zhuzhou Times New Material Technology Co., Ltd.	Company controlled by CRRC ZELRI
Zhuzhou Times Rubber & Plastic Component Development Co., Ltd.	Company controlled by CRRC ZELRI
Zhuzhou Times Ruiwei Vibration Reduction Equipment Co., Ltd.	Company controlled by CRRC ZELRI
Hunan CSR Commercial Vehicle Power Technology Co., Ltd.	Company controlled by CRRC ZELRI
Hunan CRRC Zhixing Technology Co., Ltd.	Company controlled by CRRC ZELRI
Hunan Lixing Power Technology Co., Ltd.	Company controlled by CRRC ZELRI
Xiangyang CRRC Electric Machinery Co., Ltd.	Company controlled by CRRC ZELRI
Xiangyang China Railway Hongji Engineering Technology Co., Ltd.	Company controlled by CRRC ZELRI
Jixi CNR New Energy Equipment Co., Ltd.	Company controlled by CRRC ZELRI
Northern International Cooperation Co., Ltd.	Companies in which directors, supervisors and the senior management serve
CRRC Corporation Limited	Controlling shareholder of CRRC ZELRI

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
CRRC ZELC Verkehrstechnik GmbH	Company controlled by the ultimate holding party other than CRRC ZELRI Group
ShangHai CRRC Ro-Intelligent System.Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shanghai CSR Shentong Railway Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shanghai Alstom Traffic Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CHY Environment Engineering Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC (Hong Kong) Co. Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Hong Kong Capital Management Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Lanzhou Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Rolling Stock Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Erqi Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Nanjing Puzhen Industrial Management Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Nanjing Puzhen Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Tangshan Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Commercial Factoring Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC INTERNATIONAL CO., LTD.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Urban Transportation Planning and Design Institute Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
CRRC Datong Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Dalian Institute Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Dalian Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Dalian R&D Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Taiyuan Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shandong Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shandong Wind Power Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Guangdong Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Chengdu Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qishuyan Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qishuyan Rolling Stock Technology Research Institute Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC New Infrastructure Investment and Development Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Electric Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC ZELC Europe Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Electric Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Motor Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Yongji Electric Industrial Management Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Yongji Electric Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
CRRC Shenyang Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Luoyang Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Sinotruk Puzhen Alstom Transportation Systems Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Logistics Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Environmental & Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Meishan Rolling Stock Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Xi'an Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Finance Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Asset Management Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Ziyang Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changchun Railway Vehicles Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changjiang Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changjiang Transportation Equipment Group Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Yangtze Tongling Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Sifang Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Sifang Rolling Stock Research Institute Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Urumqi CRRC Rail Transit Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Foshan CRRC Sifang Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Beijing CRRC Testing&Certification Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Beijing CRRC CED Railway Electric Tech. Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Beijing CRRC Erqi Railway Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Nanjing CRRC Puzhen Urban Railway Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Nanjing Puzhen Haitai Brake Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Nanjing CRRC Logistics Service Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Nanning CRRC Rail Transit Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hefei CRRC Rail Transit Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hami CRRC New Energy Motor Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Dalian Zelong Machinery Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Tianjin CRRC Tangshan Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Tianjin CRRC Sifang Railway Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Tianjin CRRC Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Tianjin CRRC Railway Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Taiyuan CRRC Rail Transit Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ningbo CRRC New Energy Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ningbo CRRC Rail Transit Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ningbo Jiangbei Gofront Herong Electric Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou CRRC Diesel Engine Components and Parts Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changzhou Ruitai Equipment Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Changzhou CRRC Wabtec Diesel Engine Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou Sinotruk Tiema Technology Industry Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Guangzhou CRRC Rail Transit Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chengdu CRRC Sifang Rail Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chengdu CRRC Electric Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chengdu CSR Railway Equipment Co.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Kunming CRRC Urban Rail Transit Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Hangzhou Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhuzhou Tianli Forging Industry Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhuzhou CRRC Logistics Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuhan CRRC Sifang Wuhan Rail Transit Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuhan CSR Intelligent Transportation Systems Co.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuhan CRRC ZELC Rail Transit Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Jiangsu CRRC Urban Development Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Jiangsu Mechanical and Electrical Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Jiangsu CRRC Motor Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Jiangxi Railway Vehicles Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Walton Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shenyang CRRC Yongdian Rail Transit Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Shenyang CRRC Electric Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Cangzhou CRRC ZELC Railway Equipment Services Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Quanzhou CRRC Tangshan Railway Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wenzhou CRRC Sifang Railway Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hunan CRRC Shangqu Electric Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hunan CSR Environmental Engineering Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hunan Zhirong Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Australia CRRC Changchun Railway Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Meishan CRRC Brake Science & Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Meishan CRRC Fastening System Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shijiazhuang CRRC Railway Transportation Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shijiazhuang King Transportation Equipment Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC MA Corporation	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Xi'an Yongejietong Electric Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Xi'an CSR Yongdian Intelligent Drive Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Xi'an Yongdian Electric Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ziyang CRRC Electric Locomotive Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ziyang CRRC Electrical Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Zhengzhou CRRC Sifang Railway Vehicle Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chongqing CRRC Construction Engineering Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Chongqing Railway Vehicles Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changchun CRRC Railway Vehicles Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao CRRC Sifang Rail Transit Equipment Technology Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao CRRC Sifang Rolling Stock Co., Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao CRRC Times New Energy Materials Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Bombardier Sifang (Qingdao) Transportation Ltd.	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CSR Investment Management Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Light Material Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shandong CRRC Tonglida Intelligent Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuhan CRRC Changchun Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Harbin Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qiqihar Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Sifang Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Investment Leasing Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
China Railway Inspection and Certification (Qingdao) Vehicle Inspection Station Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chongqing CRRC Sifang Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Chongqing CRRC Sifang Institute Intelligent Equipment Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shanghai CRRC Shentong rail transit vehicle Co., Ltd.	Joint ventures controlled by the ultimate holding party other than CRRC ZELRI Group
Beijing Sifang Tongchuang Rail Transit Equipment Co., Ltd	Joint ventures controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou Langrui Dongyang Drive Technology Co., Ltd.	Joint ventures controlled by the ultimate holding party other than CRRC ZELRI Group
Shenyang CRRC Rail Transit Equipment Co., Ltd.	Joint ventures controlled by the ultimate holding party other than CRRC ZELRI Group
Shenyang Westinghouse Brake Technology Co., Ltd.	Joint ventures controlled by the ultimate holding party other than CRRC ZELRI Group
Shenzhen CRRC Railway Vehicles Co., Ltd.	Joint ventures controlled by the ultimate holding party other than CRRC ZELRI Group
Changchun Changke Alstom Rolling Stock Co., Ltd	Joint ventures controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao Sifang Faiveley Railway Brake Co., Ltd.	Joint ventures controlled by the ultimate holding party other than CRRC ZELRI Group
Shanghai Alstom Transport Electrical Equipment Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Beijing North Gofront Rail Transit Technology Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Beijing Nankou SKF Railway Bearing Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Nanjing Rail Transit Industry Development Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Taizhou Changhang Railway Transportation Operation Management Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
ABB Datong Traction Transformers Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Tianjin Electric Locomotive Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Taiyuan Yingfeng Locomotive Casting Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Particulars of other related parties (continued)

Name of other related parties	Relationship between other related parties and the Company
Taiyuan Locomotive Lukai Logistics Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Taiyuan Tieliang Trading Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Guangzhou Electric Locomotive Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Guangzhou Junfa Electrical Equipment Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Chengdu Changke Xinzhu Railway Transportation Equipment Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Zhuzhou Gofront Foundry Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Zhuzhou Tianqiao Crane Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
CRRC Ziyang Transmission Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Qingdao Metro Railway Transportation Intelligent Maintenance Co., Ltd.	Associate of the ultimate holding group other than CRRC ZELRI Group
Jinan Sirui Rail Transit Equipment Technology Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Jiqing High Speed Railway Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Nanning Jufeng Electrical Equipment Co., Ltd	Company controlled by joint ventures of CRRC ZELRI
Youxian Shangyou New Energy Co.	Company controlled by joint ventures of CRRC ZELRI
Qujing Yihui New Energy Co.	Company controlled by joint ventures of CRRC ZELRI
Guizhou Times Green Equipment Co.	Company controlled by joint ventures of CRRC ZELRI
Zhuzhou CRRC Times Investment Co., Ltd.	Joint venture of CRRC ZELRI
Fuzhou Jintou Intelligent Rail Transit Equipment Co., Ltd.	Joint venture of CRRC ZELRI
Zhuzhou Guochuang Railway Technology Co.	Associate of CRRC ZELRI
Qujing Tacteasy New Energy Zhuzhou Times Electric Insulation Co.	Associate of CRRC ZELRI
Zhuzhou National Innovation Railway Technology Co., Ltd.	Associate of CRRC ZELRI

Other information:

None

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XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties

(1) Purchases and sales of goods, rendering and receipt of services

Purchase of goods/receipt of service

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related parties	Related party transactions	Current period	Prior period
Joint ventures of the ultimate holding group other than CRRC ZELRI Group	Purchase of goods	150,443	1,712,648
Associates of the ultimate holding group other than CRRC ZELRI Group	Purchase of goods	2,233,630	1,633,464
Associates of the ultimate holding group other than CRRC ZELRI Group	Receipt of services	1,333,177	2,069,647
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Purchase of goods	354,513,577	179,216,109
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Receipt of services	22,400,259	11,538,876
CRRC ZELRI	Receipt of services	47,250,000	59,460,120
Joint ventures of the Company	Purchase of goods	94,638,285	61,032,424
Associates of the Company	Purchase of goods	–	99,029,476
Associates of the Company	Receipt of services	–	75,472
Companies controlled by CRRC ZELRI	Purchase of goods	270,657,611	227,199,435
Companies controlled by CRRC ZELRI	Receipt of services	3,151,095	3,614,818
Joint ventures of CRRC ZELRI	Purchase of goods	30,864,800	–
Associates of CRRC ZELRI	Receipt of services	–	21,698
Companies controlled by the joint venture of CRRC ZELRI	Purchase of goods	82,317,658	7,098,000

Sale of goods/rendering of service

✓ Applicable ☐ Not applicable

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(1) Purchases and sales of goods, rendering and receipt of services (continued)

Unit: Yuan Currency: RMB

Related parties	Related party transactions	Current period	Prior period
Joint ventures of the ultimate holding group other than CRRC ZELRI Group	Sales of goods	30,069,782	109,630,983
Joint ventures of the ultimate holding group other than CRRC ZELRI Group	Rendering of services	151,924	151,925
Associates of the ultimate holding group other than CRRC ZELRI Group	Sales of goods	45,158,264	46,768,839
Associates of the ultimate holding group other than CRRC ZELRI Group	Rendering of services	6,720,000	1,700,000
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Sales of goods	2,982,979,658	1,641,641,403
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	Rendering of services	829,342,320	362,181,096
Associates of the Company	Sales of goods	49,528,919	249,942,349
Associates of the Company	Rendering of services	300,000	—
Joint ventures of the Company	Sales of goods	39,732,001	20,353,715
Joint ventures of the Company	Rendering of services	900,000	900,000
Companies controlled by CRRC ZELRI	Sales of goods	33,566,247	87,191,515
Companies controlled by CRRC ZELRI	Rendering of services	259,921	3,027,839
CRRC ZELRI	Sales of goods	64,990,984	26,224,268
CRRC ZELRI	Rendering of services	—	597,158
Joint ventures of CRRC ZELRI	Sales of goods	18,711,000	—
Associates of CRRC ZELRI	Sales of goods	27,694	—
Companies controlled by the joint venture of CRRC ZELRI	Sales of goods	46,924,630	—

Descriptions on purchases and sales of goods, rendering and receipt of services

✓ Applicable ☐ Not applicable

None

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(2) Related party trusteeship/contracting/outsourcing arrangement

Trusteeship/contracting of the Company

☐ Applicable ☒ Not applicable

Related party trusteeship/contracting

☐ Applicable ☒ Not applicable

Entrusted management/outsourcing of the Company

☐ Applicable ☒ Not applicable

Related party management/outsourcing

☐ Applicable ☒ Not applicable

(3) Leases with related parties

The Company as the lessor:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of lessee	Lease income recognised in the current period	Lease income recognised in the prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	—	221,238
CRRC ZELRI	—	1,683,229
Companies controlled by CRRC ZELRI	1,182,801	2,682,064
Associates of the Company	363,126	104,470
Joint ventures of the Company	—	6,367
Companies controlled by the joint venture of CRRC ZELRI	850,000	—

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(3) Leases with related parties (continued)

The Company as the lessee:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of lessor	Rent costs for simplified short-term leases and low-value asset leases (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expenses of lease liabilities		Right-of-use assets increased	
	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period	Current period	Prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	1,543,911	1,532,719	1,543,911	1,532,719	2,900,636	3,365,086	181,078	351,632	228,964	2,252,480
CRRC ZELRI	-	-	-	-	147,899	48,391	10,087	74,827	-	2,038,200
Companies controlled by CRRC ZELRI	-	-	-	-	3,048,535	11,564,029	191,165	126,862	-	10,590,407

Information on related party leases

☐ Applicable ☒ Not applicable

(4) Guarantee

The Company as the guarantor

☐ Applicable ☒ Not applicable

The Company as the guarantee holder

☐ Applicable ☒ Not applicable

Description of related party guarantee

☐ Applicable ☒ Not applicable

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(5) Funding from related party

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related parties	Amount	Start date	Expiry date	Note
Funds received Controlling shareholders of CRRC ZELRI	70,209,131	29/09/2015	28/09/2030	Annual interest rate 1.08%

(6) Transfer of assets and debt restructuring

☐ Applicable ✓ Not applicable

(7) Remuneration of key management personnel

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Remuneration of key management personnel	<u>4,230,757</u>	<u>4,956,093</u>

(8) Other related party transactions

✓ Applicable ☐ Not applicable

Cash and bank balance

Unit: Yuan Currency: RMB

Related parties	Closing balance	Opening balance
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	<u>290,506,856</u>	<u>294,302,867</u>

Loan interest income

Unit: Yuan Currency: RMB

Related parties	Current period	Prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	<u>2,422,703</u>	<u>1,281,999</u>

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(8) Other related party transactions (continued)

Loan interest expense

Unit: Yuan Currency: RMB

Related parties	Current period	Prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	—	2,436,226
Controlling shareholders of CRRC ZELRI	<u>389,226</u>	<u>439,758</u>
Total	<u><u>389,226</u></u>	<u><u>2,875,984</u></u>

Purchases of energy from related parties

Unit: Yuan Currency: RMB

Name of the entity	Current period	Prior period
Companies controlled by the ultimate holding party other than CRRC ZELRI Group	<u>768,968</u>	<u>1,093,009</u>
Total	<u><u>768,968</u></u>	<u><u>1,093,009</u></u>

Sales of energy to related parties

Unit: Yuan Currency: RMB

Name of the entity	Current period	Prior period
Companies controlled by CRRC ZELRI	—	1,490,640
CRRC ZELRI	—	111,464
Associates of the company	<u>—</u>	<u>4,307</u>
Total	<u><u>—</u></u>	<u><u>1,606,411</u></u>

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties

(1) Receivables

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Related party	Closing balance	Opening balance
Bills receivable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	428,163,360	456,057,170
Accounts receivable (including long-term receivables)	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	165,988,521	214,092,679
Accounts receivable (including long-term receivables)	Associates of the ultimate holding group other than CRRC ZELRI Group	153,713,621	131,749,173
Accounts receivable (including long-term receivables)	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	4,715,911,307	2,177,745,141
Accounts receivable (including long-term receivables)	Joint ventures of the Company	52,630,766	7,702,351
Accounts receivable (including long-term receivables)	Associates of the Company	61,254,749	46,823,417
Accounts receivable (including long-term receivables)	Companies controlled by CRRC ZELRI	51,126,180	45,970,862
Accounts receivable (including long-term receivables)	CRRC ZELRI	125,509,726	86,486,670
Accounts receivable (including long-term receivables)	Joint ventures of CRRC ZELRI	21,143,430	—
Accounts receivable (including long-term receivables)	Companies controlled by joint ventures of CRRC ZELRI	142,813,302	68,822,472
Prepayments	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	2,964,561	111,925

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

(1) Receivables (continued)

Item	Related party	Closing balance	Opening balance
Prepayments	Companies controlled by CRRC ZELRI	2,220,000	2,220,000
Prepayments	Companies controlled by joint ventures of CRRC ZELRI	4,043,580	–
Contract assets	Associates of the ultimate holding group other than CRRC ZELRI Group	992,702	1,726,010
Contract assets	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	47,773,886	88,162,934
Contract assets	Companies controlled by CRRC ZELRI	885,509	282,009
Contract assets	Associates of the Company	115,000	115,000
Contract assets	CRRC ZELRI	4,090,437	1,350,894
Other receivables	Associates of the ultimate holding group other than CRRC ZELRI Group	35,000	10,000
Other receivables	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	4,931,898	477,666
Other receivables	Associates of the Company	603,353	159,000
Other receivables	Joint ventures of the Company	6,367	483,367
Other receivables	CRRC ZELRI	214,434	207,130
Other receivables	Associates of CRRC ZELRI	243,045	243,045
Other receivables	Companies controlled by CRRC ZELRI	–	851,866
Other receivables	Companies controlled by the joint venture of CRRC ZELRI	1,960,500	1,000,000
Other receivables	Companies controlled by CRRC ZELRI	2,069,414	–

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

(1) Receivables (continued)

Item	Related party	Closing balance	Opening balance
Trade receivables financing	Associates of the ultimate holding group other than CRRC ZELRI Group	710,525,767	957,619,710
Trade receivables financing	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	8,398,227	—
Trade receivables financing	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	1,937,999,141	1,622,170,597
Trade receivables financing	Companies controlled by CRRC ZELRI	36,685,743	115,323,463
Trade receivables financing	CRRC ZELRI	118,938,657	51,951,774
Trade receivables financing	Associates of the Company	4,673,893	17,872,454
Other non-current assets	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	80,932,781	80,932,781
Other non-current assets	Associates of the ultimate holding group other than CRRC ZELRI Group	2,916,405	2,828,905
Other non-current assets	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	164,482,762	109,851,072
Other non-current assets	Companies controlled by CRRC ZELRI	6,827,314	5,181,184
Other non-current assets	CRRC ZELRI	17,712,957	20,418,066
Other non-current assets	Associates of the Company	1,639,426	378,329

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

(2) Payables

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Related party	Closing balance	Opening balance
Bills payable	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	2,309,205	1,040,000
Bills payable	Associates of the ultimate holding group other than CRRC ZELRI Group	1,029,582	274,341
Bills payable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	42,025,428	23,780,466
Bills payable	Companies controlled by CRRC ZELRI	42,724,027	14,648,001
Bill payable	Associates of CRRC ZELRI	102,600	–
Bills payable	Associates of the Company	21,564,767	22,640,000
Bills payable	Joint ventures of the Company	7,046,386	5,900,000
Accounts payable	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	593,831,174	405,922,033
Accounts payable	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	540,196	5,329,400
Accounts payable	Associates of the ultimate holding group other than CRRC ZELRI Group	4,220,963	4,308,343
Accounts payable	Associates of the Company	26,348,458	90,248,226
Accounts payable	Joint ventures of the Company	181,263,406	27,125,258
Accounts payable	Companies controlled by CRRC ZELRI	310,895,866	273,186,812
Accounts payable	Joint ventures of CRRC ZELRI	66,399,509	23,299,381
Accounts payable	Associates of CRRC ZELRI	300,000	–
Accounts payable	CRRC ZELRI	5,565	5,565
Accounts payable	Companies controlled by the joint venture of CRRC ZELRI	89,170,014	20,110,404
Dividends payables	CRRC ZELRI	460,980,558	–

Section X Financial Report

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

6. Amounts due from/to related parties (continued)

(2) Payables (continued)

Item	Related party	Closing balance	Opening balance
Dividends payables	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	15,307,000	–
Other payables	CRRC ZELRI	388,440,714	398,233,984
Other payables	Companies controlled by CRRC ZELRI	3,007,927	3,377,113
Other payables	Associates of the ultimate holding group other than CRRC ZELRI Group	29,070	139,250
Other payables	Joint ventures of the ultimate holding group other than CRRC ZELRI Group	446	446
Other payables	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	57,780,498	8,076,437
Other payables	Associates of the Company	250,000	12,463,111
Other payables	Associates of CRRC ZELRI	–	234,800
Other payables	Joint ventures of CRRC ZELRI	44,594	–
Contract liabilities	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	51,813,326	4,778,138
Contract liabilities	Associates of the ultimate holding group other than CRRC ZELRI Group	–	645,808
Contract liabilities	Companies controlled by CRRC ZELRI	3,265,487	1,032,832
Contract liabilities	Associates of CRRC ZELRI	9,975,190	11,271,965
Contract liabilities	Joint ventures of the Company	–	928,396
Contract liabilities	Associates of the Company	190,354	430,200
Non-current liabilities due within one year	Controlling shareholders of CRRC ZELRI	7,021,131	5,023,987
Non-current liabilities due within one year	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	3,211,924	6,211,839
Non-current liabilities due within one year	CRRC ZELRI	1,039,607	1,015,762
Long-term borrowings	Controlling shareholders of CRRC ZELRI	63,188,000	67,688,000
Lease liabilities	Companies controlled by the ultimate holding party other than CRRC ZELRI Group	51,047	2,680,521
Lease liabilities	CRRC ZELRI	–	161,657

(3) Others

☐ Applicable ☒ Not applicable

7. Related party commitments

☐ Applicable ☒ Not applicable

8. Others

☐ Applicable ☒ Not applicable

Section X Financial Report

XV. SHARE-BASED PAYMENT

1. General introduction of share-based payment

☐ Applicable ☒ Not applicable

Stock options or other equity instruments issued at the end of the period

☐ Applicable ☒ Not applicable

2. Information about equity-settled share-based payment

☐ Applicable ☒ Not applicable

3. Information about cash-settled share-based payment

☐ Applicable ☒ Not applicable

4. Share-based payment expense for the current period

☐ Applicable ☒ Not applicable

5. Modification and cancelation of share-based payment

☐ Applicable ☒ Not applicable

6. Others

☐ Applicable ☒ Not applicable

Section X Financial Report

XVI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

☒ Applicable ☐ Not applicable

Important external commitments, nature and amount existing on the balance sheet date

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Contracted but not recognised in the financial statements		
– Capital commitments	2,605,240,980	1,472,139,722
– Investments in associates/joint ventures	144,526,000	191,136,975
– Investments in other equity instruments	33,515,108	33,515,108
Total	2,783,282,088	1,696,791,805

2. Contingencies

(1) Significant contingencies existing as of balance sheet date

☐ Applicable ☒ Not applicable

(2) Please make a statement if the Company has no significant contingencies to disclose

☒ Applicable ☐ Not applicable

The Company has no material contingencies that require disclosure.

3. Other information

☐ Applicable ☒ Not applicable

Section X Financial Report

XVII. EVENTS AFTER THE BALANCE SHEET DATE

1. Material non-adjusting events

☐ Applicable ☒ Not applicable

2. Profit distribution

☐ Applicable ☒ Not applicable

3. Sales returns

☐ Applicable ☒ Not applicable

4. Description of other events after the balance sheet date

☐ Applicable ☒ Not applicable

Section X Financial Report

XVIII. OTHER SIGNIFICANT EVENTS

1. Corrections of prior period accounting errors

(1) Retrospective restatement method

☐ Applicable ☒ Not applicable

(2) Prospective application method

☐ Applicable ☒ Not applicable

2. Debt restructuring

☐ Applicable ☒ Not applicable

3. Exchange of assets

(1) Exchange of non-monetary assets

☐ Applicable ☒ Not applicable

(2) Exchange of other assets

☐ Applicable ☒ Not applicable

4. Annuity plan

☐ Applicable ☒ Not applicable

5. Discontinued operations

☐ Applicable ☒ Not applicable

Section X Financial Report

XVIII. OTHER SIGNIFICANT EVENTS

6. Segment reporting

(1) Basis and accounting policies for determination of reporting segments

✓ Applicable ☐ Not applicable

Based on the requirements of the Group's internal organisation structure, management requirement and internal reporting system, 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

✓ Applicable ☐ Not applicable

Geographical information:

Revenue from external customers categorised by source of income and non-current assets categorised by location of assets are as follows:

Revenue from external customers

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Chinese Mainland	9,690,011,936	8,081,955,284
Other countries and regions	593,721,457	488,255,349
Total	10,283,733,393	8,570,210,633

Total non-current assets

Unit: Yuan Currency: RMB

Countries or regions	Closing balance	Opening balance
Chinese Mainland	16,929,824,335	14,272,829,257
Other countries and regions	614,980,282	525,474,162
Total	17,544,804,617	14,798,303,419

Non-current assets are analysed by geographic locations where the assets are located, excluding financial assets and deferred tax assets.

Section X Financial Report

XVIII. OTHER SIGNIFICANT EVENTS (continued)

6. Segment reporting (continued)

(2) Financial information of reporting segments (continued)

Information of major customers

The Group's revenue from its major customer, CRRC Group (including subordinates and subsidiaries of CRRC Group, hereinafter referred to as "CRRC Group"), which accounted for a significant proportion of the Group's total revenue, is set out as follows:

Unit: Yuan Currency: RMB

Customer	Current period		Prior period	
	Amount	Proportion to total revenue (%)	Amount	Proportion to total revenue (%)
CRRC Group	<u>3,912,321,931</u>	<u>38.04</u>	<u>2,127,051,914</u>	<u>24.82</u>

(3) If there is no reporting segment, or if the total assets and total liabilities of each reportable segment cannot be disclosed, the reasons should be stated.

☐ Applicable ☒ Not applicable

(4) Other information

☐ Applicable ☒ Not applicable

7. Other significant events that have impacts on investors' decisions

☐ Applicable ☒ Not applicable

8. Other information

☒ Applicable ☐ Not applicable

(1) Net current assets and total assets less current liabilities

Unit: Yuan Currency: RMB

Item	30 June 2024		31 December 2023	
	The Group	The Company	The Group	The Company
Net current assets	<u>25,764,972,132</u>	<u>18,234,071,798</u>	24,082,820,972	17,379,481,740
Total assets less current liabilities	<u>44,634,294,190</u>	<u>36,537,136,154</u>	<u>39,972,695,733</u>	<u>36,786,491,764</u>

Section X Financial Report

XVIII. OTHER SIGNIFICANT EVENTS (continued)

8. Other information (continued)

(2) Payment of pension plan

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payment of pension plan (Note)	163,872,123	150,362,870

As at 30 June 2024 and 31 December 2023, the Group had no contributions that are forced to give up to reduce contributions to pension plans in future years.

Note: Employees of the Company and its subsidiaries operating in China must participate in the fixed contribution central pension plan managed by the local government, and employees of overseas subsidiaries must participate in similar pension plans recognised by relevant jurisdictions. The Group shall calculate and pay contributions to the central pension plan (in the case of the Company and its subsidiaries operating in China) and similar pension plans recognised in relevant jurisdictions (in the case of its subsidiaries operating outside China) according to certain percentage of its costs of employee benefits. Contributions are deducted from the consolidated income statement when they become payable according to the rules of such plans.

Calculation process for basic and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is computed by dividing net income for the period attributable to the Company's common shareholders by the weighted average number of common shares outstanding calculation.

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Net income for the year attributable to common shareholders	1,506,841,018	1,154,168,154
Number of ordinary shares issued and outstanding during the period	1,412,322,912	1,416,236,912
Basic earnings per share (RMB per share)	1.07	0.81

(2) Diluted earnings per share

The Company had no potential ordinary shares or dilutive securities during the reporting period, and therefore diluted earnings per share was equal to basic earnings per share.

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1) Disclosed by ageing

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 1 year		
Including: sub items within 1 year		
Within 6 months	6,408,347,967	5,698,038,855
6 months to 1 year	3,338,476,467	984,687,693
Sub-total within 1 year	9,746,824,434	6,682,726,548
1 to 2 years	979,193,611	690,795,277
2 to 3 years	267,271,651	315,699,319
Over 3 years	202,663,975	209,294,919
Total	11,195,953,671	7,898,516,063
Less: Provision for credit loss	437,528,777	366,478,707
Book value	10,758,424,894	7,532,037,356

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance		Carrying amount	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision on individual basis	21,650,233	0.19	21,650,233	100.00	-	17,682,233	0.22	17,682,233	100	-
Provision on portfolio basis	11,174,303,438	99.81	415,878,544	3.72	10,758,424,894	7,880,833,830	99.78	348,796,474	4.43	7,532,037,356
Including:										
Receivables from central state-owned enterprises other than China Railway Corporation	8,310,957,793	74.23	108,640,977	1.31	8,202,316,816	5,290,952,606	66.99	57,364,687	1.08	5,233,587,919
Accounts receivable from local government or local state-owned enterprise	2,395,244,452	21.39	266,349,230	11.12	2,128,895,222	2,127,712,158	26.94	252,222,648	11.85	1,875,489,510
Receivables from China Railway Corporation	170,087,262	1.52	156,225	0.09	169,931,037	152,549,522	1.93	98,251	0.06	152,451,271
Receivables from other customers	298,013,931	2.66	40,732,112	13.67	257,281,819	309,619,544	3.92	39,110,888	12.63	270,508,656
Total	11,195,953,671	100.00	437,528,777	/	10,758,424,894	7,898,516,063	100.00	366,478,707	/	7,532,037,356

Provision on individual basis

✓ Applicable ☐ Not applicable

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance		Proportion of provision (%)	Reason for provision
		Credit loss allowance			
Sky Auto (Changsha) Group Co.	16,035,328	16,035,328		100.00	Low probability of recovery
Others	5,614,905	5,614,905		100.00	Low probability of recovery
Total	<u>21,650,233</u>	<u>21,650,233</u>		<u>100.00</u>	/

Description of provision on individual basis:

☐ Applicable ☒ Not applicable

Provision on portfolio basis:

☒ Applicable ☐ Not applicable

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Item: Receivables from central state-owned enterprises other than China Railway Corporation

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	5,189,326,485	49,519,053	0.95
6 months to 1 year	2,533,698,464	24,770,145	0.98
1 to 2 years	480,579,422	18,535,582	3.86
2 to 3 years	61,951,817	6,002,782	9.69
Over 3 years	45,401,605	9,813,415	21.61
Total	8,310,957,793	108,640,977	

2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	4,271,131,263	29,689,546	0.70
6 months to 1 year	602,941,360	6,237,520	1.03
1-2 years	283,208,156	9,202,328	3.25
2-3 years	78,500,760	4,630,350	5.90
Over 3 years	55,171,067	7,604,943	13.78
Total	5,290,952,606	57,364,687	

Analysis of accounts receivable for which credit loss allowance is provided on portfolio basis:

☒ Applicable ☐ Not applicable

None

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Item: Accounts receivable from local government or local state-owned enterprise

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
Within 6 months	926,081,677	67,354,623	7.27
6 months to 1 year	735,138,310	51,304,923	6.98
1 to 2 years	418,221,512	55,496,380	13.27
2 to 3 years	164,747,689	39,323,962	23.87
Over 3 years	151,055,264	52,869,342	35.00
Total	2,395,244,452	266,349,230	

2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
Within 6 months	1,132,769,837	82,387,209	7.27
6 months to 1 year	302,305,352	20,991,052	6.94
1-2 years	312,573,973	41,477,360	13.27
2-3 years	230,486,850	55,015,376	23.87
Over 3 years	149,576,146	52,351,651	35.00
Total	2,127,712,158	252,222,648	

Analysis of accounts receivable for which credit loss allowance is provided on portfolio basis:

☒ Applicable ☐ Not applicable

None

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Item: Receivables from China Railway Corporation

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	147,455,929	99,039	0.07
6 months to 1 year	8,994,616	5,160	0.06
1 to 2 years	13,636,717	52,026	0.38
2 to 3 years	—	—	—
Over 3 years	—	—	—
Total	170,087,262	156,225	

2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	109,590,963	73,607	0.07
6 months to 1 year	42,958,559	24,644	0.06
1-2 years	—	—	—
2-3 years	—	—	—
Over 3 years	—	—	—
Total	152,549,522	98,251	

Analysis of accounts receivable for which credit loss allowance is provided on portfolio basis:

☒ Applicable ☐ Not applicable

None

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Item: Receivables from other customers

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	145,483,878	12,914,339	8.88
6 months to 1 year	60,645,077	6,179,125	10.19
1 to 2 years	50,903,874	9,872,426	19.39
2 to 3 years	39,229,303	11,287,162	28.77
Over 3 years	1,751,799	479,060	27.35
Total	298,013,931	40,732,112	

2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	184,546,793	16,430,843	8.90
6 months to 1 year	36,482,422	3,717,088	10.19
1-2 years	78,977,819	15,376,541	19.47
2-3 years	6,689,418	1,929,896	28.85
Over 3 years	2,923,092	1,656,520	56.67
Total	309,619,544	39,110,888	

Analysis of accounts receivable for which credit loss allowance is provided on portfolio basis:

☒ Applicable ☐ Not applicable

None

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(2) Disclosed by method of credit loss (continued)

Provisions for bad and doubtful debts based on the general model of ECL:

☐ Applicable ☒ Not applicable

Basis of stage classification and percentage of provision for bad and doubtful debts:

Loss allowances for accounts receivable are measured at an amount equal to lifetime ECLs.

Descriptions on significant movements in the carrying amount of accounts receivable which have seen:

☐ Applicable ☒ Not applicable

(3) Credit loss allowance of accounts receivable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

類別	Opening balance	Change amount in the current period				Closing balance
		Transferred to credit-impaired losses	Provision	Recoveries or reversal	Transfers out or written-off	
Lifetime ECL (not credit-impaired)	159,551,509	-19,825,588	72,420,486	-	-	212,146,407
Lifetime ECL (credit-impaired)	206,927,198	19,825,588	-	-1,370,416	-	225,382,370
Total	366,478,707	-	72,420,486	-1,370,416	-	437,528,777

Significant recoveries or reversals during the current period:

☐ Applicable ☒ Not applicable

Other information

None

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

(4) Accounts receivable that are actually written-off are as follows

☐ Applicable ☒ Not applicable

Significant accounts receivable write-offs:

☐ Applicable ☒ Not applicable

Description of accounts receivable write-offs:

☐ Applicable ☒ Not applicable

(5) Top five accounts receivable and contract assets at the end of the year categorised by debtor:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total accounts receivable and contract assets (%)	Closing balance of provision for credit loss
Customer 100507	1,905,822,929	6,231,414	1,912,054,343	16.00	33,155,283
Customer 93000	1,072,800,388	–	1,072,800,388	8.97	–
Customer 100511	642,281,071	12,161,061	654,442,132	5.47	9,446,382
Customer 103233	500,966,390	111,265,819	612,232,209	5.12	50,213,735
Customer 99083	453,427,559	–	453,427,559	3.79	–
Total	4,575,298,337	129,658,294	4,704,956,631	39.36	92,815,400

Other information

None

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables

Details of items

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	—	—
Dividends receivable	225,000	284,000,000
Other receivables	884,769,388	744,279,958
Total	884,994,388	1,028,279,958

Other information:

☐ Applicable ☒ Not applicable

Interest receivable

(1) Classification of interest receivable

☐ Applicable ☒ Not applicable

(2) Significant overdue interest

☐ Applicable ☒ Not applicable

(3) Disclosure by bad debt accrual method

☐ Applicable ☒ Not applicable

(4) Provision for bad debts

☐ Applicable ☒ Not applicable

(5) Actual interest receivable written off during the period

☐ Applicable ☒ Not applicable

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Dividends receivable

(1) Dividends receivable

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
CRRC Times Software	—	284,000,000
Qingdao CRRC Electric	225,000	—
Total	225,000	284,000,000

(2) Significant dividends receivable with ageing over 1 year

☐ Applicable ☒ Not applicable

(3) Disclosure by bad debt accrual method

☐ Applicable ☒ Not applicable

(4) Provision for bad debts

☐ Applicable ☒ Not applicable

(5) Actual dividends receivable written off during the period

☐ Applicable ☒ Not applicable

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables

(1) Other receivables disclosed by ageing

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 1 year		
Including: subitems within 1 year		
Within 6 months	213,599,442	561,052,857
6 months to 1 year	419,840,521	2,688,213
Subtotal within 1 year	633,439,963	563,741,070
1-2 years	152,789,206	111,392,511
2-3 years	55,297,259	31,235,602
Over 3 years	50,789,527	45,287,460
Less: provision for credit loss	7,546,567	7,376,685
Total	884,769,388	744,279,958

(2) Classification of other receivables by nature

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Amounts due from subsidiaries	718,256,692	581,400,957
Deposits and guarantees	57,624,185	63,923,644
Subscribed capital receivable	50,000,000	50,000,000
Others	66,435,078	56,332,042
Total	892,315,955	751,656,643

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables (continued)

(3) Provision for credit loss of other receivables is as follows:

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Credit loss allowance	Phase 1 12-month ECL	Phase 2 Lifetime ECL (not credit-impaired)	Phase 3 Lifetime ECL (credit-impaired)	Total
Balance at 1 January 2024	7,376,685	—	—	7,376,685
Balance at 1 January 2024 during this period	7,376,685	—	—	7,376,685
– Transfer to stage 2	—	—	—	—
– Transfer to stage 3	—	—	—	—
– Reverse to stage 2	—	—	—	—
– Reverse to stage 1	—	—	—	—
Additions during the period	7,508,473	—	—	7,508,473
Transfer out during the period	-7,338,591	—	—	-7,338,591
Reversals during the period	—	—	—	—
Written-off during the period	—	—	—	—
Other changes	—	—	—	—
Balance at 30 June 2024	<u>7,546,567</u>	<u>—</u>	<u>—</u>	<u>7,546,567</u>

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables (continued)

(3) Provision for credit loss of other receivables is as follows: (continued)

Basis of stage classification and percentage of provision for bad debts:

As at 30 June 2024, the Group had no other receivables that were at the phase 2 and phase 3.

Disclose significant movements in the gross carrying amounts of other receivables which have seen changes in provisions during the year:

☐ Applicable ☒ Not applicable

Disclose the amount of the provision for the period and the basis for determining whether financial instruments credit risk has significantly increased:

☐ Applicable ☒ Not applicable

(4) Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change amount in the current period				Closing balance
		Transferred to credit-impaired losses	Provision	Recoveries or reversal	Transfers out or written-off	
Bad debt provision for other receivables	7,376,685	7,508,473	-7,338,591	-	-	7,546,567
Total	7,376,685	7,508,473	-7,338,591	-	-	7,546,567

Significant recoveries or reversals during the period:

☐ Applicable ☒ Not applicable

Other information:

None

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables (continued)

(5) Other receivables actually written off in the current period

☐ Applicable ☒ Not applicable

Significant write-offs of other receivable:

☐ Applicable ☒ Not applicable

Description of other receivables written off:

☐ Applicable ☒ Not applicable

(6) Top five other receivables categorised by debtors

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of the entity	Closing gross carrying value	Proportion to total closing balance of other receivables (%)	Nature	Ageing	Closing balance of provision for credit loss
Customer 202021	174,653,169	19.57	Others	Within 1 year, 1 to 2 years, and 2 to 3 years	-
Customer 99001	158,008,800	17.71	Others	Within 1 year and over 5 years	-
Customer 99013	138,789,251	15.55	Others	Within 1 year	-
Customer 99308	92,764,172	10.40	Others	Within 1 year	-
Customer 99069	62,804,177	7.04	Others	Within 1 year	-
Total	627,019,569	70.27	/	/	-

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables (continued)

(7) Presented in other receivables due to centralized management of funds

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

3. Long-term equity investments

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Book value	Gross carrying amount	Provision for impairment	Book value
Investments in subsidiaries	10,944,115,191	450,771,551	10,493,343,640	10,944,115,191	450,771,551	10,493,343,640
Investments in joint ventures and associates	305,359,570	-	305,359,570	303,218,906	-	303,218,906
Total	11,249,474,761	450,771,551	10,798,703,210	11,247,334,097	450,771,551	10,796,562,546

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments (continued)

(1) Investments in subsidiaries

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase	Decrease	Closing balance	Provision for impairment for the period	Closing balance of impairment provision
CRRC Times Electronics	182,977,618	-	-	182,977,618	-	-
Ningbo CRRC Times	281,467,255	-	-	281,467,255	-	-
Times USA	3,187,516	-	-	3,187,516	-	-
Shenyang CRRC Times	56,000,000	-	-	56,000,000	-	-
Baoji CRRC Times	1,108,727,100	-	-	1,108,727,100	-	-
Kunming CRRC Electric	55,000,000	-	-	55,000,000	-	-
Hangzhou CRRC Electric	33,000,000	-	-	33,000,000	-	-
Guangzhou CRRC Electric	18,000,000	-	-	18,000,000	-	-
HK CRRC Times Electric	731,009,400	-	-	731,009,400	-	-450,771,551
Times Australia	1,814,037	-	-	1,814,037	-	-
Ningbo CRRC Electric	110,000,000	-	-	110,000,000	-	-
Qingdao CRRC Electric	45,000,000	-	-	45,000,000	-	-
CRRC Times Software	50,000,000	-	-	50,000,000	-	-
Shanghai CRRC Rail Transit	25,500,000	-	-	25,500,000	-	-
Hunan CRRC Signal	549,000,000	-	-	549,000,000	-	-
Lanzhou CRRC Times	25,500,000	-	-	25,500,000	-	-
CRRC National Centre of Converters	398,254,981	-	-	398,254,981	-	-
Shanghai CRRC SMD	720,000,000	-	-	720,000,000	-	-
Chengdu CRRC Electric	30,000,000	-	-	30,000,000	-	-
CRRC Times Semiconductor	5,164,224,120	-	-	5,164,224,120	-	-
Canada Dynex	282,478,220	-	-	282,478,220	-	-
Chongqing CRRC Electric	90,000,000	-	-	90,000,000	-	-
FAW CRRC Electric Drive System Co., Ltd.	150,000,000	-	-	150,000,000	-	-
Hunan CRRC Electric Drive	832,974,944	-	-	832,974,944	-	-
Total	10,944,115,191	-	-	10,944,115,191	-	-450,771,551

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments (continued)

(2) Investments in joint ventures and associates

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of investee	Opening balance	Changes for the period				Closing balance	Closing balance of impairment provision
		Investment income or loss recognised under equity method	Other equity changes	Cash dividend or profits declared	Provision for impairment		
I. Joint ventures							
Shiling	109,381,567	3,663,249	-	-	-	113,044,816	-
LANP Electrical	9,057,178	-1,502,784	-	-	-	7,554,394	-
Shanghai shenzhong	8,246,894	15,000	-	-	-	8,261,894	-
Zhengzhou Times	13,763,684	-63,471	-	-	-	13,700,213	-
Sub-total	140,449,323	2,111,994	-	-	-	142,561,317	-
II. Associates							
Zhuzhou Siemens	47,056,480	113,562	-	-	-	47,170,042	-
Guoxin Technology	53,236,290	223,505	-	-	-	53,459,795	-
Times Wabtec	16,351,096	1,805,592	-	-	-	18,156,688	-
CRRC India	12,042,295	120,000	-	-	-	12,162,295	-
Wuxi Times	25,673,111	-1,835,677	-	-	-	23,837,434	-
Foshan Zhongshi	8,410,311	-398,312	-	-	-	8,011,999	-
Sub-total	162,769,583	28,670	-	-	-	162,798,253	-
Total	303,218,906	2,140,664	-	-	-	305,359,570	-

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

3. Long-term equity investments (continued)

(3) Impairment testing of long-term equity investment

☐ Applicable ☒ Not applicable

Other information:

☒ Applicable ☐ Not applicable

4. Revenue and cost of sales

(1) Details of revenue and cost of sales:

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period		Prior period	
	Revenue	Cost of sales	Income	Cost of sales
Principal operating activities	6,083,038,235	4,472,030,369	5,791,216,869	4,769,404,246
Other operating activities	179,082,970	168,388,042	329,851,392	309,420,222
Total	6,262,121,205	4,640,418,411	6,121,068,261	5,078,824,468

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. Revenue and cost of sales (continued)

(2) Revenue from contracts

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Contract classification	Current period	Prior period
By geographic areas of sales		
Chinese Mainland	6,189,204,010	6,117,126,434
Other countries and regions	72,917,195	3,941,827
Total	6,262,121,205	6,121,068,261

Other information of revenue from contracts:

✓ Applicable ☐ Not applicable

None

(3) Description of performance obligations

✓ Applicable ☐ Not applicable

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. Revenue and cost of sales (continued)

(3) Description of performance obligations (continued)

Sales of goods and materials

The Company mainly sells rail transit equipment and components, which are mainly delivered using land transportation. The Company recognises revenue upon receipts and acceptance of the goods by the customer.

Advances from customer before delivery of rail transit equipment and components are recognised as contract liabilities in the financial statements. There is no significant financing component and right of return during the course of sales of rail transit equipment and components.

Revenue from maintenance service

The Company mainly repairs and maintains rail transit equipment and components, and the Company is entitled to collect the payment upon acceptance by the customer.

(4) Descriptions of allocated remaining performance obligations

☐ Applicable ☒ Not applicable

(5) Significant changes in contracts or significant adjustments to transaction prices

☐ Applicable ☒ Not applicable

Other information:

None

Section X Financial Report

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

5. Investment income

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Gains from long-term equity investments under the equity method	2,140,664	1,649,941
Gains on disposal of held-for-trading financial assets	26,111,608	32,375,800
Gains from long-term equity investments under cost method	8,985,000	196,782,381
Others	-376,826	-1,847,307
Total	36,860,446	228,960,815

Other information:

None

6. Others

☐ Applicable ☒ Not applicable

Section X Financial Report

XX. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss for the current period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Note
Profit or loss on disposal of non-current assets	2,958,532	/
Government grants recognized in profit or loss (other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard)	359,866,247	/
Profit or loss on changes in the fair value of held-for-trading financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income on disposal of held-for-trading financial assets, held-for-trading financial liabilities and derivative financial instruments, other than those used in the effective hedging activities relating to normal operating business	56,608,780	/
Reversal of provision for accounts receivable that are tested for impairment losses individually	80,000	/
Other non-operating income or expenses other than the above	6,082,662	/
Subtotal	425,596,221	
Less: Tax effect of non-recurring profit or loss	58,197,181	/
Effects of non-recurring profit or loss attributable to minority interests	19,241,630	/
Total	<u>348,157,410</u>	/

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.

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Section X Financial Report

XX. SUPPLEMENTARY INFORMATION (continued)

2. Return on net assets and earnings per share

☒ Applicable ☐ Not applicable

Profit for the reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	3.93	1.07	1.07
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	<u>3.02</u>	<u>0.82</u>	<u>0.82</u>

3. Differences between accounting information expressed under domestic and overseas accounting policies

☐ Applicable ☒ Not applicable

4. Others

☐ Applicable ☒ Not applicable

Chairman of the Board: Li Donglin

Reporting date approved by the Board of Directors: 23 August 2024

MODIFICATION INFORMATION

☐ Applicable ☒ Not applicable